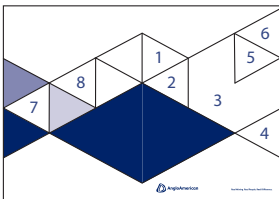


KUMBA IRON ORE LIMITED
NOTICE OF ANNUAL GENERAL MEETING
10 MAY 2019

**UNLOCKING
OUR FULL
POTENTIAL**
DISCIPLINED
GROWTH FOR
A SUSTAINABLE
FUTURE



Real Mining. Real People. Real Difference.



Cover images

1. Lesego Seisho an Occupational Health Practitioner at Kolomela, monitoring activities in the fatigue centre.
2. David Fourie a Millwright and Louis Jordaan a Fitter, performing risk assessments in the workshop at Sishen.
3. Chris Cloete and Zai Robinson at the Sishen G80 pit, performing a pre-use inspection on a Komatsu 860E truck.
4. Loading hauled ore from the mine into the primary crusher at Kolomela.
5. Nmemu Kombame removing radiator hose on haultruck at Sishen.
6. Tlotlano Sehularo, Tumelo Magopa, Victor Jansen, Mathidiso Pitsoyogae and Instructor Leah Coetzee, checking welding workpieces at the Tsipi skills and civil training centre.
7. Ashwin Cloete the acting Safety Officer and Joey Bekker a Haultruck Operator, from Kolomela carrying out a SLAM in the hard park area in front of a Komatsu 730/S truck.
8. Lester Engelbrecht a Foreman, Daleen Boyder – acting Mine Overseer and Saul Mofammere – Foreman, at Leeuwfontein pit in Kolomela.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given in terms of section 62(1) of the Companies Act No 71 of 2008, as amended (the Companies Act) that the thirteenth annual general meeting (AGM) of shareholders of Kumba Iron Ore Limited (Kumba or the Company) will be held at the Kumba Corporate Office, Centurion Gate, Building 2B, 124 Akkerboom Road, Centurion at 09:00 am (CAT) on Friday, 10 May 2019, or any adjournment or postponement, to (i) consider, and if deemed fit, to pass the following ordinary and special resolutions with or without modification/s; and (ii) deal with such other business as may be dealt with at the AGM.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the action you should take, consult your broker, central securities depository participant (CSDP), banker, financial adviser, accountant or other professional adviser immediately.

The notice of AGM is only available in English, copies may be obtained from the registered office of the Company and the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196.

REGISTERED AND CORPORATE OFFICE

Kumba Iron Ore Limited, Centurion Gate, Building 2B, 124 Akkerboom Road, Centurion, Gauteng (PO Box 9679, Centurion, 0046), South Africa. Included in this document are the following:

- the notice of AGM setting out resolutions to be proposed at the meeting, with explanatory notes. There are also guidance notes if you wish to attend the meeting or to vote by proxy
- a proxy form for completion, signature and submission to the share registrars by shareholders holding Kumba ordinary shares in certificated form or recorded in sub-registered electronic form in "own name"

SAFETY NOTICE

At Kumba Iron Ore your safety is our priority and we wish to draw your attention to the following rules when visiting our Corporate Office:

- reverse parking is compulsory
- you will be breathalysed
- no talking and texting on cellphone while walking
- use of handrails is compulsory
- firearms are not permitted

Thank you for helping us to remain safe.

RECORD DATE PROXIES AND VOTING

- | | |
|---|-----------------------|
| • record date to determine which shareholders are entitled to receive the notice of AGM | Friday, 29 March 2019 |
| • last day to trade in order to be eligible to attend and vote at the AGM | Monday, 29 April 2019 |
| • date for posting of notice of AGM | Tuesday, 9 April 2019 |
| • record date to be eligible to participate in and vote at the AGM | Friday, 3 May 2019 |

ELECTRONIC PARTICIPATION IN THE AGM

Shareholders or their proxies may participate (but not vote) in the meeting via teleconference call. If they wish to do so, they:

- must contact the company secretary (by email at celeste.appollis@angloamerican.com) no later than 09:00 am on Monday, 29 April 2019 to obtain a pin number and dial in details
- will be required to provide reasonably satisfactory identification
- will be billed separately by their own telephone service providers for their call to participate in the meeting

PRESENTATION TO SHAREHOLDERS

Presentation of the audited financial statements

The audited annual financial statements of the Company and the group for the year ended 31 December 2018 (as approved by the board of directors of the Company), incorporating the external auditor, Audit Committee and Directors' reports, are presented to shareholders in terms of section 30(3) of the Companies Act.

A summary of the annual financial statements is contained in the integrated report on pages 62 to 65. The complete annual financial statements appear on the Company's website at www.angloamericankumba.com.

Presentation of the Social, Ethics and Transformation Committee report

To present the report of the Social, Ethics and Transformation Committee of the Company and the group for the year ended 31 December 2018, in terms of Regulation 43 of the Companies Regulations 2011 (the Regulations). The report has been distributed to shareholders and is also available on the Company's website at www.angloamericankumba.com.

NOTICE OF ANNUAL GENERAL MEETING

CONTINUED

ORDINARY RESOLUTIONS

Percentage of voting rights – ordinary resolutions

Ordinary resolutions numbered 1 to 5, and ordinary resolution number 7 contained in this notice of AGM, require the approval of a minimum of 50% plus 1 vote of the votes exercised on the resolutions by the shareholders present or represented by proxy at the AGM in order for the resolutions to be adopted.

1. ORDINARY RESOLUTION NUMBER 1

Re-appointment of independent external auditors

To re-appoint Deloitte & Touche (Deloitte) as independent external auditors of the Company and that Mrs N Ranchod be re-appointed as the individual designated auditor, to hold office until the conclusion of the next AGM in terms of section 90(1) of the Companies Act. The Audit Committee has evaluated the independence, experience and effectiveness of both Deloitte and Mrs Ranchod and has concluded that both the firm and the individual designated auditor are independent of the Company in accordance with section 94(8) of the Companies Act. In compliance with the JSE Listings Requirements (paragraph 3.84(h)(iii)) the Audit Committee obtained and considered all information listed in paragraph 22.15(h) of the Listings Requirements of the JSE in its assessment of the suitability of Deloitte as well as Mrs Ranchod for re-appointment.

The Audit Committee concluded that, based on the outcome of the inspection by the Independent Regulatory Board of Auditors (IRBA) of Deloitte, no matters were raised that negatively impacted the suitability of Deloitte and Mrs Ranchod for re-appointment as external auditors and individual designated auditor, respectively, of the Company.

There are no current pending or finalised legal or disciplinary processes which affect the suitability of Deloitte or Mrs Ranchod for re-appointment as the Company's external auditors and individual designated auditor. Further information on the execution of the duties of the Audit Committee is set out in the Audit Committee report, contained in the annual financial statements.

Ordinary resolution number 1

"RESOLVED that Deloitte & Touche and Mrs Ranchod be and are hereby re-appointed as independent external auditors and individual designated auditor of the Company, to hold office until the conclusion of the next AGM in terms of section 90(1) of the Companies Act."

2. ORDINARY RESOLUTION NUMBER 2

(Comprising separate ordinary resolutions numbered 2.1 to 2.3)

Rotation of directors

To re-elect, by way of separate resolutions, the following non-executive directors, each of whom retire in terms of the provisions of the Memorandum of Incorporation (Mol) of the Company, and, each being eligible, offer themselves for re-election:

- 2.1 Mrs Buyelwa Sonjica
- 2.2 Mrs Nonkululeko Dlamini
- 2.3 Mr Terence Goodlace

These directors are retiring due to the one-third rotation requirement in the Mol.

Accordingly, shareholders are requested to consider and, if deemed fit, to re-elect these retiring directors as members of the Board of the Company by way of passing the separate ordinary resolutions set out below. Brief résumés in respect of each director offering themselves for re-election as directors of the Company are attached hereto as ANNEXURE 1.

Ordinary resolution number 2.1

"RESOLVED that Mrs Buyelwa Sonjica be and is hereby re-elected as a director of the Company with effect from 10 May 2019."

Ordinary resolution number 2.2

"RESOLVED that Mrs Nonkululeko Dlamini be and is hereby re-elected as a director of the Company with effect from 10 May 2019."

Ordinary resolution number 2.3

"RESOLVED that Mr Terence Goodlace be and is hereby re-elected as a director of the Company with effect from 10 May 2019."

3. ORDINARY RESOLUTION NUMBER 3

(Comprising separate ordinary resolutions numbered 3.1 to 3.3)

Election of Audit Committee members

To elect, by way of separate ordinary resolutions, the Audit Committee consisting of independent non-executive directors in terms of section 94(4) of the Companies Act and appointed in terms of section 94(2) of the Companies Act to perform the duties and responsibilities stipulated in section 94(7) of the Companies Act and other duties described in the Audit Committee's terms of reference which are available on the Company's website, www.angloamericankumba.com. In terms of Regulation 42 of the Act, at least one-third of the members of the Company's Audit Committee must have academic qualifications, or experience, in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

The Board has determined that each of the members standing for election is independent, and that they possess the required qualifications, skills and experience as contemplated in Regulation 42 of the Act and collectively, they have sufficient qualifications and experience to fulfil their duties as contemplated in section 94(7) of the Companies Act. The following independent non-executive directors, each being eligible, offer themselves for election/re-election:

3.1 Mr Sango Ntsaluba

3.2 Mr Terence Goodlace*

3.3 Mrs Mary Bomela

* Subject to re-election as a director pursuant to ordinary resolution number 2.3.

The resolutions pertaining to the re-election of the members of the Audit Committee are to be voted on individually. Brief résumés in respect of each independent non-executive director offering themselves for election as members of the Audit Committee are attached hereto as ANNEXURE 1.

Ordinary resolution number 3.1

"RESOLVED that Mr Sango Ntsaluba, who is an independent non-executive director, be and is hereby re-elected, with effect from 10 May 2019, as a member of the Audit Committee."

Ordinary resolution number 3.2

"RESOLVED that Mr Terence Goodlace, who is an independent non-executive director, be and is hereby re-elected, with effect from 10 May 2019, as a member of the Audit Committee."

Ordinary resolution number 3.3

"RESOLVED that Mrs Mary Bomela, who is an independent non-executive director, be and is hereby re-elected, with effect from 10 May 2019, as a member of the Audit Committee."

4. ORDINARY RESOLUTION NUMBER 4

Approval of the remuneration policy

In accordance with the King Code of Governance Principles for South Africa 2016™ (King IV), shareholder approval is sought for the Company's remuneration policy and implementation thereof by way of separate non-binding advisory votes. The non-binding votes enable shareholders to express their views on the Company's remuneration policy and on the implementation thereof. The detailed remuneration policy, for which approval is being sought, is contained herein as ANNEXURE 2.

In the event that the remuneration policy or the implementation report, or both have been voted against by 25% or more of the voting rights exercised by shareholders in the non-binding advisory vote, the Board will delegate representatives to actively engage with the majority shareholders to address and conciliate the substantiating objections and concerns and to ameliorate the policy and/or report as appropriate, taking cognisance of the shareholder feedback and proposals resulting from the engagement and as approved by the Board.

Ordinary resolution number 4.1

"RESOLVED that the Company's remuneration policy be and is hereby approved by way of a non-binding advisory vote, as recommended in King IV."

Ordinary resolution number 4.2

"RESOLVED that the implementation of the Company's remuneration policy be and is hereby approved by way of a non-binding advisory vote, as recommended in King IV."

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NOTICE OF ANNUAL GENERAL MEETING

CONTINUED

5. ORDINARY RESOLUTION NUMBER 5

General authority for directors to allot and issue ordinary shares

In terms of clause 7.2 of the Company's Mol, subject to the approval of the JSE Limited (JSE), the approval, by way of an ordinary resolution of shareholders is required for the allotment and issue of ordinary shares (including options in respect thereof), in circumstances other than as contemplated in sections 41(1) and (3) of the Companies Act. In terms of section 41(1) of the Companies Act, any issue of shares or grant of options contemplated in section 42, or grant of any rights exercisable for securities, must be approved by a special resolution of the shareholders of a company, if the shares, securities, options or rights are issued to (a) a director, future director, prescribed officer or future prescribed officer of the Company; (b) a person related or interrelated to the Company; or (c) a nominee of a person contemplated in (a) or (b). In terms of section 41(3) of the Companies Act, an issue of shares, securities convertible into shares, or rights exercisable for shares in a transaction, or a series of integrated transactions requires the approval of the shareholders by special resolution if the voting power of the class of shares that are issued or issuable as a result of the transaction or series of integrated transactions exceed 30% of the voting power of all the shares of that class held by shareholders immediately before the transaction or series of transactions. Unless renewed, the existing authority granted by shareholders at the twelfth AGM of the shareholders of the Company on 11 May 2018 expires at the forthcoming thirteenth AGM to be held on Friday, 10 May 2019.

This general authority, once granted, allows the Board from time to time, and when it is appropriate to do so, to issue ordinary shares as may be required. This general authority is subject to the restriction that it is limited to a maximum of 5% of the number of shares in issue at the date of this notice (being 16,104,299 shares), with the number of issued and listed equity securities in issue as at the date of this notice being 322,085,974 shares. It is noted that an issue as contemplated in sections 41(1) and (3) of the Companies Act must first be approved by way of a special resolution in terms of section 41 of the Companies Act and is not authorised in terms of this resolution.

Ordinary resolution number 5

"RESOLVED that the unissued shares in the Company, limited to 5% of the number of shares in issue at the date of this notice (being 16,104,299 shares), and the number of listed equity securities in issue as at the date of this notice being 322,085,974 shares, be and are hereby placed under the control of the directors until the next AGM and that the directors be and are hereby authorised to issue any such shares as they may deem fit, subject to the Companies Act, the Mol of the Company, and the provisions of the Listings Requirements of the JSE."

6. ORDINARY RESOLUTION NUMBER 6

(Comprising separate ordinary resolutions numbered 6.1 and 6.2)

Approval of the adoption of the amendments to the Bonus and Retention Share Plan (BRP) and amendments to the Long-term Incentive Plan (now known as the Performance Share Plan (PSP))

The Company proposes the adoption of the BRP and the amended rules of the PSP (Amended PSP Rules), the rules and amendments for which, respectively, have been reviewed and approved by the JSE.

In compliance with paragraphs 14.6 and 14.7 of schedule 14 of the JSE Listings Requirements, a summary of the principal terms of each of the (i) rules of the BRP (BRP Rules) and (ii) Amended PSP Rules has been circulated with this notice to the shareholders of the Company, and will be made available for inspection to the shareholders of the Company from the date of issue of the notice of meeting of the shareholders of the Company to approve these resolutions up to and including the date of the AGM. Such documents shall lie for inspection for 14 days before such meeting of the shareholders of the Company to approve the BRP Rules and the Amended PSP Rules. The salient features of the new BRP Rules and the Amended PSP Rules (including the aggregate maximum number of shares that can be issued under each plan) are set out in ANNEXURE 3 attached to this notice for your convenience and copies of the BRP Rules the Amended PSP Rules will be made available:

- on the Company's website: www.angloamericankumba.com; and
- will be open for inspection during normal business hours (Saturdays, Sundays and official South African public holidays excepted) at the registered office of the Company from 9 April 2019, until conclusion of the annual general meeting to be held on 10 May 2019.

Ordinary resolution number 6.1

Approval of the Amended BRP

"RESOLVED that the BRP, the salient features of which (including the aggregate maximum number of shares that can be issued under the BRP) are set out in ANNEXURE 3 of this notice of AGM, be and is hereby approved in accordance with schedule 14 of the JSE Listings Requirements and that the directors of the Company be and are hereby authorised to take all such steps as may be necessary for the establishment and carrying into effect of the BRP."

Ordinary resolution number 6.2

Approval of the Amended PSP

"RESOLVED that the amendments to the Performance Share Plan, the salient features of which are set out in ANNEXURE 3 of this notice of AGM, be and is hereby approved and that the directors of the Company be and are hereby authorised to take all such steps as may be necessary for the establishment and carrying into effect of the PSP."

In terms of the JSE Listings Requirements, 75% (seventy-five percent) of the votes cast by shareholders present or represented by proxy, excluding any participants under the existing BRP, at the AGM must be cast in favour of both ordinary resolutions (6.1 and 6.2) for it to be approved.

Shareholders are requested to approve the adoption of the Amended BRP Rules and the Amended PSP Rules.

Reason and effect

The original Kumba Bonus Share Plan rules were approved and adopted by shareholders on 20 March 2009. Clause 5.2 of the BRP Rules provides "... awards may not be granted at any time after the 10th anniversary of the approval of the BSP by the Company's shareholders." Therefore, the shareholder mandate for the award of forfeitable Deferred Bonus Arrangement and Forfeitable Share Plan share awards is limited to a duration of ten (10) years from the date of approval of the BSP, being 20 March 2009, and will no longer be granted after 20 March 2019.

Kumba utilised the opportunity to renew the BSP Rules award mandate for the 2020 awards by renewing and aligning both the BRP Rules and PSP Rules, under the guidance of an external advisory service provider, to:

- a. align the Company's management share incentive schemes with the terminology and practice in relation to the good corporate governance principles as set out in the King III and King IV reports on corporate governance;
- b. best align both rule set terminology and the consistent application of award conditions;
- c. align the Company's management incentive schemes with that of the Anglo American plc group; and
- d. allow for optimal instrument and rule flexibility to accommodate potential, future change of incentive policy and to allow the Human Resources and Remuneration Committee greater discretion and flexibility in terms of equity awards.

7. ORDINARY RESOLUTION NUMBER 7

Changes to the Long-Term Incentive and Forfeitable Share Awards-2019 Awards

"RESOLVED that the revised granting of Long-Term Incentive Awards to qualifying Prescribed Officers and Senior Management (Anglo American Band 4 employees) from May 2019 under the Amended PSP rules (subject to shareholders approving ordinary resolution number 6.2), be and is hereby approved to allow for the current Forfeitable Share Plan share awards (FSP awards) to be replaced by forward looking, conditional share awards with relevant Kumba performance conditions attached to the vesting."

Reason and effect

Currently Long-Term Incentive awards (LTIP awards) are granted to the Executive Directors under the Kumba Long-Term Incentive Plan (LTIP) rules. These LTIP awards have performance conditions attached to the vesting and do not qualify for shareholder rights over the three-year vesting period.

LTIP awards granted to qualifying Prescribed Officers and Senior Management are granted as forfeitable Shares under the current BSP rules. The FSP awards qualify for shareholder rights over the three-year vesting period.

Shareholders are therefore requested to consider and approve the alignment of the LTIP and FSP for both Executive Directors, Prescribed Officers and Senior Management under the Kumba Amended PSP Rules as forward looking conditional shares, effective May 2019. These conditional shares will replace the current FSP in respect of Prescribed Officers and Senior Management.

To maintain the previous years' expected value (fair value), an increase will be made to the face value of awards previously made to qualifying Prescribed Officers and Senior Management employees. It is proposed that the value is increased from 40% to 80% of annual Basic Employment Cost (BEC) for the qualifying Prescribed Officers and Senior Management. The proposed increase is based on an expected value percentage proxy of 50% for the face value of the conditional shares. This is aligned to the increase methodology being adopted by the Group. The award values for the Executive Directors will remain unchanged.

Shareholders are also requested to consider and approve the payment of dividend equivalents which will be incorporated into the awards for the qualifying Prescribed Officers and Senior Management. This is to offset the loss of dividend rights associated with the conditional share award pre-vesting. No dividend equivalent policy will apply for the Executive Directors.

NOTICE OF ANNUAL GENERAL MEETING

CONTINUED

8. ORDINARY RESOLUTION NUMBER 8

Authorisation to sign documents to give effect to resolutions

"RESOLVED that any one director or the Company secretary be and are hereby authorised to do all such things and sign all such documents and take all such actions as they consider necessary to give effect to the resolutions set out in this notice of AGM."

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SPECIAL RESOLUTIONS

Percentage of voting rights – special resolutions

Special resolutions numbered 1 to 4, contained in this notice of AGM, require approval of a minimum of 75% (seventy-five percent) of the votes exercised on the resolutions by the shareholders present or represented by proxy at the AGM in order for the resolutions to be adopted. In terms of the Listings Requirements of the JSE special resolution number 1 (general authority to issue shares for cash) requires a 75% (seventy-five percent) majority of votes exercised on the resolution by shareholders present or represented by proxy at the AGM in order for the resolution to be adopted. Clause 22.5 of the Company's Mol provides that for so long as the Company is listed on the JSE, if any of the Listings Requirements of the JSE require an ordinary resolution to be passed with a 75% (seventy-five percent) majority, the resolution shall instead be required to be passed by a special resolution. Special resolution number 1 is therefore required, in terms of clause 22.5 of the Company's Mol, to be passed by a special resolution.

9. SPECIAL RESOLUTION NUMBER 1

General authority to issue shares for cash

"RESOLVED that, subject to the passing of ordinary resolution number 5 and in terms of the Listings Requirements of the JSE, the directors are hereby authorised by way of a general authority, to issue the authorised but unissued ordinary shares of 1 cent each in the capital of the Company for cash, as and when suitable opportunities arise, subject to the Mol of the Company, the Companies Act, and the following conditions, namely that:

- the equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue
- any such issue will only be made to 'public shareholders' as defined by the Listings Requirements of the JSE and not to related parties
- this authority shall only be valid until the next AGM of the Company but shall not extend beyond 15 months from the date this authority is given
- a paid press announcement giving full details required by the JSE Listings Requirements will be published at the time of any issue representing, on a cumulative basis within the period of this authority, 5% (five percent) or more of the number of shares in issue prior to the issue concerned
- any such general issues are subject to exchange control regulations and approval at that point in time
- in respect of securities which are the subject of the general issue of shares for cash, such issue may not exceed 5% (being 16,104,299 shares), of the number of listed equity securities as at the date of this notice of AGM, the number of listed equity securities in issue as at the date of this being 322,085,974 shares, provided that:
 - any equity securities issued under this authority during the period must be deducted from the number above
 - in the event of a sub-division or consolidation of issued equity securities during the period contemplated above, the existing authority must be adjusted accordingly to represent the same allocation ratio
 - the calculation of the listed equity securities is a factual assessment of the listed equity securities as at the date of the notice of AGM, excluding treasury shares
- in determining the price at which an issue of shares for cash may be made in terms of this authority, the maximum discount permitted shall be 10% of the weighted average traded price of the ordinary shares on the JSE over the 30 business days prior to the date that the price of the issue is agreed between the directors of the Company and the party subscribing for the securities. The JSE should be consulted for a ruling if the Company's securities have not traded in such 30-day business period"

A 75% (seventy-five percent) majority of votes cast in favour of the resolution by all equity securities present or represented by proxy at the AGM is required for the approval of this special resolution number 1, in terms of the Listings Requirements of the JSE.

Reason and effect

In terms of paragraph 5.52(e), read with paragraph 5.50, of the Listings Requirements of the JSE, a general issue for cash (i) may only be undertaken with the approval of 75% (seventy-five percent) of the majority of votes cast by equity securities holders (present or represented by proxy) in general/annual general meeting by granting the Board of directors of the Company the authority to issue a specified number of securities for cash pursuant to paragraph 5.52(c) of the Listings Requirements of the JSE (which paragraph sets out the requirements for general issues for cash), which authority is valid until the next AGM of the Company but does not extend beyond 15 months from the date the authority is given; and (ii) is subject to the requirements of the JSE and to any other restrictions set out in the authority. In terms of clause 4.4 of the Mol, the issue of securities (including options) for cash must be undertaken in accordance with the Listings Requirements of the JSE.

The effect of special resolution number 1 is that the directors will be able to issue the authorised but unissued ordinary shares of 1 cent each in the capital of the Company for cash, as and when suitable opportunities arise, subject to the requirements of the JSE, the restrictions/conditions set out in the authority, the Companies Act and the Mol of the Company. Such issue may not exceed 5% (being 16,104,299 shares) of the number of listed equity securities as at the date of this notice, 322,085,974 shares.

10. SPECIAL RESOLUTION NUMBER 2

(Comprising separate special resolutions numbered 2.1 to 2.12)

Remuneration payable to non-executive directors and the Chairperson

"RESOLVED that, in terms of sections 66(8) and 66(9) of the Companies Act and on recommendation of the Human Resources and Remuneration Committee, the Company be and is hereby authorised to remunerate its non-executive directors and Chairperson of the Board for their services as directors and/or pay any fees related thereto as detailed in the table below, which reflects that the directors' fees be increased by 6.0% on the fees paid in the previous year, provided that the aforementioned authority to remunerate directors shall be valid until the fifteenth annual general meeting of the Company in 2021.

		Proposed for the period 10 May 2019 until the date of the AGM in 2021 (exclusive of VAT)	Fees paid during 2018
2.1	Board Chairperson	1,507,433	1,422,107
2.2	Ordinary Board member	249,233	235,125
2.3	Lead Independent Director	1,166,000	1,100,000
2.4	Audit Committee Chairperson	332,644	313,815
2.5	Audit Committee member	165,446	156,081
2.6	Risk and Opportunities Committee Chairperson	332,644	313,815
2.7	Risk and Opportunities Committee member	165,446	156,081
2.8	Social, Ethics and Transformation Committee Chairperson	332,644	313,815
2.9	Social, Ethics and Transformation Committee member	165,446	156,081
2.10	Nomination and Governance Committee member	165,446	156,081
2.11	Human Resources and Remuneration Committee Chairperson	332,644	313,815
2.12	Human Resources and Remuneration Committee member	165,446	156,081

* The Chairperson of the Board chairs the Nominations and Governance Committee. However, he does not receive any additional remuneration in this regard.
Executive directors do not receive directors' fees.

Special resolution number 2.1

"RESOLVED that the Board Chairperson fees be increased to R1,507,433 (exclusive of VAT), provided that the aforementioned authority to remunerate directors shall be valid until the fifteenth annual general meeting of the Company in 2021."

NOTICE OF ANNUAL GENERAL MEETING

CONTINUED

Special resolution number 2.2

"RESOLVED that the ordinary Board member fees be increased to R249,233 (exclusive of VAT), provided that the aforementioned authority to remunerate directors shall be valid until the fifteenth annual general meeting of the Company in 2021."

Special resolution number 2.3

"RESOLVED that the Lead Independent Director fees be increased to R1,166,000 (exclusive of VAT), provided that the aforementioned authority to remunerate directors shall be valid until the fifteenth annual general meeting of the Company in 2021."

Special resolution number 2.4

"RESOLVED that the Audit Committee Chairperson fees be increased to R332,644 (exclusive of VAT), provided that the aforementioned authority to remunerate directors shall be valid until the fifteenth annual general meeting of the Company in 2021."

Special resolution number 2.5

"RESOLVED that the Audit Committee member fees be increased to R165,446 (exclusive of VAT), provided that the aforementioned authority to remunerate directors shall be valid until the fifteenth annual general meeting of the Company in 2021."

Special resolution number 2.6

"RESOLVED that the Risk and Opportunities Committee Chairperson fees be increased to R332,644 (exclusive of VAT), provided that the aforementioned authority to remunerate directors shall be valid until the fifteenth annual general meeting of the Company in 2021."

Special resolution number 2.7

"RESOLVED that the Risk and Opportunities Committee member fees be increased to R165,446 (exclusive of VAT), provided that the aforementioned authority to remunerate directors shall be valid until the fifteenth annual general meeting of the Company in 2021."

Special resolution number 2.8

"RESOLVED that the Social, Ethics and Transformation Committee Chairperson fees be increased to R332,644 (exclusive of VAT), provided that the aforementioned authority to remunerate directors shall be valid until the fifteenth annual general meeting of the Company in 2021."

Special resolution number 2.9

"RESOLVED that the Social, Ethics and Transformation Committee member fees be increased to R165,446 (exclusive of VAT), provided that the aforementioned authority to remunerate directors shall be valid until the fifteenth annual general meeting of the Company in 2021."

Special resolution number 2.10

"RESOLVED that the Nominations and Governance Committee member fees be increased to R165,446 (exclusive of VAT), provided that the aforementioned authority to remunerate directors shall be valid until the fifteenth annual general meeting of the Company in 2021."

Special resolution number 2.11

"RESOLVED that the Human Resources and Remuneration Committee Chairperson fees be increased to R332,644 (exclusive of VAT), provided that the aforementioned authority to remunerate directors shall be valid until the fifteenth annual general meeting of the Company in 2021."

Special resolution number 2.12

"RESOLVED that the Human Resources and Remuneration Committee member fees be increased to R165,446 (exclusive of VAT), provided that the aforementioned authority to remunerate directors shall be valid until the fifteenth annual general meeting of the Company in 2021."

The fees are based on a comprehensive benchmarking conducted by an independent remuneration consultant against other mining companies (our peer group, consisting of direct and indirect competitors), and other JSE listed companies.

Reason and effect

In terms of sections 66(8) and 66(9) of the Companies Act, remuneration may only be paid to members of the Board for their services as directors in accordance with a special resolution approved by the shareholders within the previous two years and if not prohibited in terms of the Company's Mol.

Therefore, the reason for and effect of special resolutions numbered 2.1 and 2.12 is for the Company to obtain the approval of shareholders by way of special resolution for the payment of remuneration to its non-executive directors for their services as directors of the Company until the fifteenth annual general meeting of the Company in 2021 in accordance with section 66 of the Companies Act. Shareholders are advised that should the need arise to increase directors' fees in 2020, the Company will table a special resolution to this effect at the fourteenth annual general meeting of the Company in 2020.

11. SPECIAL RESOLUTION NUMBER 3

Approval for the granting of financial assistance in terms of sections 44 and 45 of the Companies Act

"RESOLVED that, to the extent required by the Companies Act, the Board of directors of the Company may, subject to compliance with the requirements of the Company's MoI, the Companies Act, and the Listings Requirements of the JSE, each as presently constituted and as amended from time to time, authorise the Company to provide direct or indirect financial assistance as contemplated in section 44 and/or section 45 of the Companies Act, by way of loan, guarantee, the provision of security or otherwise, to:

- any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or interrelated to the Company, for any purpose or in connection with any matter, including, but not limited to, the subscription of any option, or any securities issued or to be issued by the Company or a related or interrelated company, or for the purchase of any securities of the Company or a related or interrelated company as contemplated under section 44 of the Companies Act; and/or
- to any person who is a participant in any of the share or other employee incentive schemes of the Kumba group, for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or interrelated company, or for the purchase of any securities of the Company or a related or interrelated company, where such financial assistance is provided in terms of any such scheme that does not constitute an employee share scheme that satisfies the requirements of section 97 of the Companies Act

Such authority to endure for two years, until the fifteenth AGM of the Company in 2021.

Reason and effect

Notwithstanding the title of section 45 of the Companies Act, being 'Loans or other financial assistance to directors', on a proper interpretation, the body of the section may also apply to financial assistance (as such term is defined therein) provided by a company to related or interrelated companies and corporations, including, inter alia, its subsidiaries, for any purpose.

Furthermore, section 44 of the Companies Act may also apply to financial assistance provided by a company to related or interrelated companies, in the event that the financial assistance is provided for the purposes of, or in connection with, the subscription of any options, or any securities, issued or to be issued by the Company or a related or interrelated company, or for the purchase of any securities of the Company or related or interrelated company.

Both section 44 and section 45 of the Companies Act provide, inter alia, that the particular financial assistance must be provided pursuant to a special resolution of the shareholders, adopted within the previous two years, which approved such assistance either for the specific recipient, or generally for a category of potential recipients, and the specific recipient falls within that category and that the Board of directors must be satisfied that (i) immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test; and (ii) the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

The reason for and effect of special resolution number 3 is to grant the directors of the Company the authority until the fifteenth AGM of the Company in 2021 to provide financial assistance, when the need arises, in accordance with the provisions of sections 44 and 45 of the Companies Act. This means that the Company is authorised, among other things, to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

The Board undertakes that, insofar as the Companies Act requires, it will not adopt a resolution to authorise such financial assistance, unless the directors are satisfied that:

- immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test as contemplated in the Companies Act
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company

NOTICE OF ANNUAL GENERAL MEETING

CONTINUED

As part of the authority above, the Company will not provide financial assistance to directors, prescribed officers or 'any person'. The Company also notes the obligation to send a letter to shareholders and trade unions as per section 45(5) of the Act within 10 business days after the Company's Board adopted the resolution if the total value of the financial assistance contemplated in that resolution, together with any previous such resolution during the financial year, exceeds one-tenth of 1% of the Company's net worth at the time of the resolution; or within 30 business days after the end of the financial year, in any other case.

12. SPECIAL RESOLUTION NUMBER 4

General authority to repurchase shares

"RESOLVED that the Board of directors of the Company be and is hereby authorised, by a way of a renewable general authority, to approve the repurchase by the Company or by any of its subsidiaries of any of the shares issued by the Company, upon such terms and conditions and in such amounts as the Board of directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the Mol of the Company and the Listings Requirements of the JSE, including, inter alia, that:

- the general repurchase of the shares may only be implemented through the order book of the JSE and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited)
- this general authority shall only be valid until the next AGM of the Company, provided that it shall not extend beyond 15 months from the date of this resolution
- an announcement must be published as soon as the Company has repurchased shares constituting, on a cumulative basis, 3% of the number of shares in issue as at the date that this special resolution number 4 is passed, pursuant to which the aforesaid 3% threshold is reached, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares repurchased thereafter. Such announcement will be made as soon as possible and, in any event, by not later than 08:30 on the business day following the day on which the 3% threshold is reached or exceeded
- subject to section 48 of the Companies Act, the general authority to repurchase is limited to a maximum of 5% in the aggregate in any one financial year of the Company's issued share capital at the beginning of the financial year, provided that the number of shares purchased and held by or for the benefit of a subsidiary or subsidiaries of the Company, taken together, shall not exceed 5% in the aggregate of the number of issued shares in the Company
- a resolution has been passed by the Board of directors of the Company and/or any subsidiary of the Company, as the case may be, approving the purchase, that the group has satisfied the solvency and liquidity test as defined in the Companies Act, and that since the solvency and liquidity test was applied there have been no material changes to the financial position of the Company or the group
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for five business days immediately preceding the date that the transaction is effected. The JSE should be consulted for a ruling if the Company's securities have not traded in such five business day period
- the Company may at any point in time only appoint one agent to effect any repurchase(s) on the Company's behalf
- any such general repurchases are subject to exchange control regulations and approval at that point in time
- the Company may not effect a repurchase during any prohibited period as defined in terms of the Listings Requirements of the JSE unless there is a repurchase programme in place as contemplated in terms of 5.72(h) of the Listings Requirements of the JSE, where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation), and full details thereof have been submitted to the JSE in writing prior to the commencement of the prohibited period

Reason and effect

The reason for and effect of special resolution number 4 is to grant the Board of directors a general authority in terms of the Listings Requirements of the JSE, up to and including the date of the following AGM of the Company (provided it shall not extend beyond 15 months from the date the resolution is passed) to authorise the Company and any of its subsidiary companies to repurchase the Company's issued shares on such terms, conditions and in such amounts as determined from time to time by the directors of the Company subject to the limitations set out above. In terms of clause 7.1 of the Mol, the repurchase of securities must be undertaken in accordance with the Listings Requirements of the JSE.

In special resolution number 4, reference is made to sections 46 and 48 of the Companies Act.

Section 46 regulates the making of 'distributions' by a company, which includes the transfer by a company of money or other property of a company, other than its own shares, to or for the benefit of one or more holders of any of the shares, or to the holder of a beneficial interest in any such shares, of that company or of another company within the same group of companies, as consideration for the acquisition (i) by a company of any of its shares, as contemplated in section 48 of the Companies Act; or (ii) by any company within the same group of companies, of any shares of a company within that group of companies. Section 46 of the Companies Act prohibits the making of such a distribution unless (a) the distribution is pursuant to an existing legal obligation of the Company, or a court order or the Board of the Company, by resolution, has authorised the distribution; (b) it reasonably appears that the Company will satisfy the solvency and liquidity test immediately after completing the proposed distribution; and (c) the Board of directors of the Company has, by resolution, acknowledged that it has applied the solvency and liquidity test, as set out in section 4 of the Companies Act, and reasonably concluded that the Company will satisfy the solvency and liquidity test after completing the proposed distribution.

Section 48 of the Companies Act regulates the acquisition by a company of its own shares and the acquisition by a subsidiary company of shares in its holding company. Section 48(8) sets out those circumstances in which a special resolution of shareholders is required under the Companies Act for such acquisitions. Section 48(8) also requires compliance with sections 114 and 115 of the Companies Act if the acquisition considered alone, or together with other transactions in an integrated series of transactions, involves the acquisition by the Company of more than 5% of the issued shares of any particular class of the Company's shares. Sections 114 and 115 of the Companies Act regulate schemes of arrangement.

At the present time the directors have no specific intention with regard to the utilisation of this authority, which will only be used if the circumstances are appropriate. The Company wishes to confirm that any repurchase of shares, if implemented, will only be dealt with via the formal JSE trading system.

DISCLOSURES/INFORMATION REQUIRED IN TERMS OF THE LISTINGS REQUIREMENTS OF THE JSE

For the purposes of considering special resolution number 4 and in compliance with the Listings Requirements of the JSE, the following information is provided:

Directors' statement after considering the effect of a repurchase pursuant to a general authority

The directors of the Company agree that they will not undertake any repurchase, as contemplated in special resolution number 4 above, unless:

- the Company and the group are in a position to repay their debts in the ordinary course of business for a period of 12 months after the date of the repurchase
- the assets of the Company and the group, being fairly valued in accordance with International Financial Reporting Standards, are in excess of the liabilities of the Company and the group for a period of 12 months after the date of the repurchase
- the share capital and reserves of the Company and the group are adequate for ordinary business purposes for a period of 12 months after the date of the repurchase
- the available working capital of the Company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the general repurchase

Directors' responsibility statement

The Board of directors of the Company collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 4 and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this resolution contains all information required by the Listings Requirements of the JSE.

No material changes

Other than the facts and developments reported on in the Company's integrated report for 2018, there have been no material changes in the financial position of the Company and its subsidiaries since the date of signature of the audit report and the date of this notice.

The following further disclosures required in terms of the Listings Requirements of the JSE are set out in ANNEXURE 4, attached hereto:

- major shareholders of the Company
- share capital of the Company

NOTICE OF ANNUAL GENERAL MEETING

CONTINUED

GENERAL INFORMATION

Electronic participation

The Company intends to make provision for the shareholders of the Company, or their proxies, to participate in the AGM by way of electronic communication. In this regard, should any Kumba shareholder or its proxy wish to participate in the AGM by way of electronic participation, such shareholder/proxy should contact the Company's transfer secretaries in writing (including details as to how the shareholder/proxy or its representative can be contacted) by email at proxy@computershare.co.za at least five business days prior to the AGM (by no later than Friday, 4 May 2019) in order for the transfer secretaries to arrange for such shareholder/proxy (and its representative) to provide reasonably satisfactory identification to the transfer secretaries for the purposes of section 63(1) of the Companies Act (which include a green bar-coded identification document issued by the South African Department of Home Affairs, a smart identity card issued by the South African Department of Home Affairs, a valid driver's licence or a valid passport), and for the transfer secretaries to provide such shareholder/proxy (or its representative) with details as to how to access any electronic participation to be provided. The costs of accessing any means of electronic participation provided by the Company will be borne by such shareholder/proxy so accessing the electronic participation.

VOTING AND PROXIES

Members who have not dematerialised their shares or who have dematerialised their shares with 'own name' registration are entitled to attend and vote at the meeting and are entitled to appoint a proxy or proxies to attend, participate in, speak and vote at the AGM in their stead.

The person so appointed as a proxy need not be a member. It is requested for administrative purposes only, that forms of proxy be completed and forwarded to reach the Company's transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa, by 09:00 am on Wednesday, 8 May 2019. Any forms of proxy not received by this date must be handed to the Chairperson of the AGM immediately prior to the proxy exercising a shareholder's rights at the meeting. Forms of proxy must only be completed by members who have not dematerialised their shares or who have dematerialised their shares with 'own name' registration.

All meeting participants (including proxies) are required in terms of section 63(1) of the Companies Act to provide reasonably satisfactory identification before being entitled to attend or participate in the AGM. Forms of identification include a green bar-coded identification document issued by the South African Department of Home Affairs, a smart identity card issued by the South African Department of Home Affairs, a valid driver's license or a valid passport.

This notice of AGM includes the attached form of proxy. The attention of members is directed to the additional notes and instructions relating to the attached form of proxy, which notes and instructions are set out in the form of proxy.

On a show of hands, every member of the Company present in person or represented by proxy shall have one vote only. On a poll, every member of the Company shall have one vote for every share held in the Company by such member.

Members who have dematerialised their shares, other than those members who have dematerialised their shares with 'own name' registration, should contact their Central Securities Depository Participant (CSDP) or broker in the manner and time stipulated in their agreement:

- to furnish them with their voting instructions
- in the event that they wish to attend the meeting, to obtain the necessary authority to do so

Equity securities held by a share trust or scheme will not have their votes taken into account for the purposes of the resolutions proposed in terms of the Listings Requirements of the JSE.

By order of the Board

Celeste Appollis

Company secretary

Centurion
9 April 2019

FORM OF PROXY

Kumba Iron Ore Limited (Kumba)

A member of the Anglo American plc group
(Incorporated in the Republic of South Africa)

This form of proxy is for use and completion by certificated shareholders and dematerialised shareholders with 'own name' registration only.

For use and completion by registered members of Kumba at the thirteenth annual general meeting of the Company to be held at 09:00 am (CAT) on Friday, 10 May 2019 at the Kumba Corporate Office, Centurion Gate, Building 2B, 124 Akkerboom Road, Centurion or at any adjournment thereof (the annual general meeting).

Each shareholder entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxy or proxies (who need not be a shareholder of Kumba) to attend, participate in and speak and vote in place of that shareholder at the annual general meeting, and at any adjournment thereof.

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with 'own name' registration, must not complete this form or proxy but should contact their Central Securities Depository Participant (CSDP) or broker in the manner and time stipulated in their agreement, in order to furnish them with their voting instructions or to obtain the necessary letter of authority to attend the annual general meeting, in the event that they wish to attend the annual general meeting.

Please note the following:

- The appointment of your proxy may be suspended at any time to the extent that you choose to act directly and in person in the exercise of your rights as a shareholder at the annual general meeting
- The appointment of the proxy is revocable
- You may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and Kumba

Kindly note that meeting participants (including a proxy or proxies) are required in terms of section 63(1) of the Companies Act No 71 of 2008 to provide reasonably satisfactory identification before being entitled to attend or participate in the annual general meeting. Forms of identification include a green bar-coded identification document issued by the South African Department of Home Affairs, a smart identity card issued by the South African Department of Home Affairs, a valid driver's licence or a valid passport.

A proxy may not delegate his/her authority to act on behalf of a shareholder of Kumba to another person.

I/ We _____ (please print names in full)

of (address) _____

contact number _____

being the holder/s or custodians of _____

ordinary shares in the Company, do hereby appoint:

1. _____ or failing him/her _____

2. _____ or failing him/ her _____

3. The Chairperson of the annual general meeting, as my/our proxy to act, attend, participate and speak, for me/us and/or on my/our behalf at the annual general meeting which will be held for the purpose of considering and if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof and to vote for me/us and/or on my/our behalf or to abstain from voting on such resolutions in respect of the ordinary share/s in the issued capital of the Company registered in my/our name/s with the following instructions:

Continued overleaf

FORM OF PROXY CONTINUED

	Number of votes (one vote per share)		
	In favour	Against	Abstain
ORDINARY RESOLUTION NUMBER 1: RE-APPOINTMENT OF INDEPENDENT EXTERNAL AUDITOR			
ORDINARY RESOLUTION NUMBER 2: ROTATION OF DIRECTORS			
2.1 To re-elect Mrs Buyelwa Sonjica as a director of the Company			
2.2 To re-elect Mrs Nonkululeko Dlamini as a director of the Company			
2.3 To re-elect Mr Terence Goodlace as a director of the Company			
ORDINARY RESOLUTION NUMBER 3: ELECTION OF AUDIT COMMITTEE MEMBERS			
3.1 Election of Mr Sango Ntsaluba as a member of the Committee			
3.2 Election of Mr Terence Goodlace as a member of the Committee			
3.3 Election of Mrs Mary Bomela as a member of the Committee			
ORDINARY RESOLUTION NUMBER 4: APPROVAL OF THE REMUNERATION POLICY			
4.1 Non-binding advisory vote: Approval of the remuneration policy			
4.2 Non-binding advisory vote: Approval for the implementation of the remuneration policy			
ORDINARY RESOLUTION NUMBER 5: GENERAL AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE ORDINARY SHARES			
ORDINARY RESOLUTION NUMBER 6: APPROVAL OF THE ADOPTION OF THE AMENDMENTS TO THE BONUS AND RETENTION SHARE PLAN (BRP) AND AMENDMENTS TO THE LONG-TERM INCENTIVE PLAN (NOW KNOWN AS THE PERFORMANCE SHARE PLAN (PSP))			
6.1 Approval of the Amended Bonus and Retention Share Plan (BRP)			
6.2 Approval of the Amended Performance Share Plan (PSP)			
ORDINARY RESOLUTION NUMBER 7: CHANGES TO THE LONG-TERM INCENTIVE AND FORFEITABLE SHARE AWARDS			
ORDINARY RESOLUTION NUMBER 8: AUTHORISATION TO SIGN DOCUMENTS TO GIVE EFFECT TO RESOLUTIONS			
SPECIAL RESOLUTION NUMBER 1: GENERAL AUTHORITY TO ISSUE SHARES FOR CASH			
SPECIAL RESOLUTION NUMBER 2: REMUNERATION PAYABLE TO NON-EXECUTIVE DIRECTORS AND THE CHAIRPERSON OF THE BOARD			
2.1 Remuneration payable to the Chairperson of the Board: R1,507,433			
2.2 Remuneration payable to the ordinary Board members: R249,233			
2.3 Remuneration payable to the Lead Independent Director: R1,166,000			
2.4 Remuneration payable to the Chairperson of the Audit Committee: R332,644			
2.5 Remuneration payable to the members of the Audit Committee: R165,446			
2.6 Remuneration payable to the Chairperson of the Risk and Opportunities Committee: R332,644			
2.7 Remuneration payable to the members of the Risk and Opportunities Committee: R165,446			
2.8 Remuneration of the Chairperson of the Social, Ethics and Transformation Committee: R332,644			
2.9 Remuneration payable to the members of the Social, Ethics and Transformation Committee: R165,446			
2.10 Remuneration payable to the members of the Nominations and Governance Committee: R165,446			
2.11 Remuneration payable to the Chairperson of the Human Resources and Remuneration Committee: R332,644			
2.12 Remuneration payable to the members of the Human Resources and Remuneration Committee: R165,446			
SPECIAL RESOLUTION NUMBER 3: APPROVAL FOR THE GRANTING OF FINANCIAL ASSISTANCE IN TERMS OF SECTIONS 44 AND 45 OF THE COMPANIES ACT			
SPECIAL RESOLUTION NUMBER 4: GENERAL AUTHORITY TO REPURCHASE SHARES			

Insert an 'X' in the relevant space above according to how you wish your votes to be cast. An 'X' in the relevant space above indicates the maximum number of votes exercisable. If you wish to cast your votes in respect of less than all of the shares that you own in Kumba, however, then insert the number of ordinary shares held in respect of which you desire to vote.

Signed at _____ on _____ 2019
Signature _____ Assisted by me (where applicable)

Each member is entitled to appoint one or more proxies (none of whom need be a member of the Company) to attend, speak and, on a poll, vote in place of that member at the annual general meeting. Please read the notes on the reverse side hereof.

NOTES TO PROXY

SUMMARY OF SHAREHOLDERS' RIGHTS IN RESPECT OF PROXY APPOINTMENTS AS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

Please note that in terms of section 58 of the Companies Act:

- this form of proxy must be in writing, dated and signed by the shareholder appointing the proxy
- you may appoint an individual as a proxy, including an individual who is not a shareholder of Kumba, to participate in, and speak and vote at, the annual general meeting, on your behalf
- your proxy may delegate his/her authority to act on your behalf to another person, subject to any restriction set out in this form of proxy
- this form or proxy should be delivered to Kumba, or to Kumba's transfer secretaries, Computershare Investor Services Proprietary Limited, before your proxy exercises any of your voting rights as a shareholder at the annual general meeting. Any form of proxy not received by Kumba or Kumba's transfer secretaries must be handed to the Chairperson of the annual general meeting before your proxy may exercise any of your voting rights as a shareholder at the annual general meeting
- the appointment of your proxy or proxies will be suspended at any time to the extent that you choose to act directly and in person in the exercise of any of your rights as a shareholder at the annual general meeting
- the appointment of your proxy is revocable unless you expressly state otherwise in this form of proxy
- as the appointment of your proxy is revocable, you may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy and to Kumba. Please note that the revocation of a proxy appointment constitutes a complete and final cancellation of your proxy's authority to act on your behalf as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to the proxy and Kumba as aforesaid
- if this form of proxy has been delivered to Kumba, as long as that appointment remains in effect, any notice that is required by the Companies Act or Kumba's Memorandum of Incorporation to be delivered by Kumba to you must be delivered by Kumba to you or, if you have directed Kumba to do so, in writing, and paid any reasonable fees charged by Kumba for doing so, your proxy or proxies:
 - your proxy is entitled to exercise, or abstain from exercising, any voting rights of yours without direction at the annual general meeting, except to the extent that this form of proxy provides otherwise

- the appointment of your proxy remains valid only until the end of the annual general meeting or any adjournment or postponement thereof, unless it is revoked by you before then on the basis set out above

EXPLANATORY NOTES

1. A form of proxy is only to be completed by those ordinary shareholders who are:
 - 1.1 holding ordinary shares in certificated form; or
 - 1.2 recorded on sub-register electronic form in 'own name'.
2. If you have already dematerialised your ordinary shares through a Central Securities Depository Participant (CSDP) or broker and wish to attend the annual general meeting, you must request your CSDP or broker to provide you with a letter of representation or you must instruct your CSDP or broker to vote by proxy on your behalf in terms of the agreement entered into between you and your CSDP or broker.
3. A member entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxy or proxies to attend, participate in and speak and vote in his/her stead at the annual general meeting. A proxy need not be a member of the Company. Satisfactory identification must be presented by any person wishing to attend the annual general meeting, as set out in the notice of annual general meeting (to which this form of proxy is included). A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space. The person whose name stands first on the form of proxy and who is present at the annual general meeting of shareholders will be entitled to act to the exclusion of those whose names follow.
4. On a show of hands a member of the Company present in person or by proxy shall have one (1) vote irrespective of the number of shares he/she holds or represents, provided that a proxy shall, irrespective of the number of members he/she represents, have only one (1) vote. On a poll a member who is present in person or represented by proxy shall be entitled to one vote in respect of each ordinary share in Kumba held by him/her.

INSTRUCTIONS ON SIGNING AND LODGING THE PROXY FORM

1. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided, with or without deleting 'the Chairperson of the annual general meeting', but any such deletion must be initialled by the member. Should this space be left blank, the Chairperson of the annual general meeting will exercise the proxy. The person whose name appears first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.

NOTES TO PROXY CONTINUED

2. A member's instructions to the proxy must be indicated by the insertion of an 'X' or the relevant number of votes exercisable by the member in the appropriate box provided. An 'X' in the appropriate box provided indicates the maximum number of votes exercisable by that member. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the member's votes exercisable thereat. A member or the proxy is not obliged to use all the votes exercisable by the member or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the member or by the proxy.
3. Forms of proxy are requested, for administrative purposes only, to be lodged at, or posted to the transfer secretaries of Kumba, Computershare Investor Services Proprietary Limited at the address below, to be received by 09:00 am on Wednesday, 8 May 2019. Any forms of proxy not received by this date must be handed to the Chairperson of the annual general meeting immediately prior to your proxy exercising any of your voting rights as a shareholder at the annual general meeting.
4. The completion and lodging of this form of proxy will not preclude the relevant member from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity or other legal capacity must be attached to this form of proxy, unless previously recorded by the transfer secretaries or waived by the Chairperson of the annual general meeting.
6. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
7. Notwithstanding the foregoing, the Chairperson of the annual general meeting may waive any formalities that would otherwise be a prerequisite for a valid proxy.
8. If any shares are jointly held, all joint members must sign this form of proxy. If more than one of those members is present at the annual general meeting either in person or by proxy, the person whose name appears first in the register shall be entitled to vote.

For shareholders on the South African register:
Computershare Investor Services Proprietary Limited
15 Biermann Avenue, Rosebank, 2196, South Africa
www.computershare.com
Tel: +27 11 370 5000

Over-the-counter American Depositary Receipt (ADR) holders:
Kumba has an ADR facility with BNY Mellon under a deposit agreement. ADR holders may instruct BNY Mellon as to how the shares represented by their ADRs should be voted.

American Depositary Receipt Facility
BNY Mellon
101 Barclay Street, New York, NY 10286
www.adrbny.com
(00-1) 888 815 5133

ANNEXURE 1



Buyelwa Sonjica [68]

Non-executive director

BA, BA (Hons)

**Joined the Board on
1 June 2012**

Chairs the Social, Ethics and Transformation Committee and is a member of the Risk and Opportunities Committee.

She is a member of the World Wide Assessment Programme Advisory Group on gender equality and former Minister of Water and Environmental Affairs, and Minerals and Energy with the cabinet of the government of South Africa. Previously chaired the parliamentary select committee on childcare facilities and the Portfolio Committee on water and forestry. She has also served as a member in the parliamentary portfolio committees of arts and culture, finance, and trade and industry.



Terence Goodlace [59]

Non-executive director

MBA (Business Administration),
BCom, nHDip and nDip (Metalliferous
Mining), MDp

**Joined the Board on
24 March 2017**

Appointed as Lead Independent Director on 11 May 2018.

Terence's mining career commenced in 1977, and has spanned more than 40 years. He is currently an independent non-executive director at Gold Fields Limited, Kumba Iron Ore Limited and AfriTin Mining Limited.

He spent the majority of his career at Gengold (merged with Gold Fields South Africa to become Gold Fields in 1998) and he progressed from being a miner through to becoming the Chief Operating Officer in 2008. For five years during this time he was responsible for creating, implementing and facilitating the strategic and operational planning processes and outcomes for all Group operations. This included executive responsibility for Group Mineral Resource Management, Environmental Management and Sustainable Development.

He then spent three years as the Chief Executive Officer of Metorex Limited and served on the Impala Platinum Holdings Limited board for two years as an independent non-executive director and four and a half years as the Chief Executive Officer. He has significant experience in leading underground and open pit operations in Africa, South America and Australia.

ANNEXURE 1 CONTINUED



Nonkululeko Dlamini [45]
Non-executive director
 BCom (Accounting), CA(SA)
Joined the Board on
1 November 2016

A member of the Social, Ethics and Transformation Committee.

Currently the Chief Financial Officer of the Industrial Development Corporation (IDC). Prior to joining the IDC in September 2015 she was with Eskom where she spent 14 years in various executive positions.



Mary Bomela [45]
Non-executive director
 MBA, CA(SA), BCom (Hons)
Joined the Board on
1 December 2017

A member of the Audit Committee and the Human Resources and Remuneration Committee.

Mary is the Chief Executive Officer of the Mineworkers Investment Company ("MIC"). She currently serves on the boards of Primedia (Pty) Ltd, FirstRand Group Limited, Metrofile Holdings Limited, Peermont Global Holdings and Ascendis Health.



Sango Ntsaluba [58]
Non-executive director
 BComm, BCompt (Hons), Higher
 Diploma in Tax Law, MComm,
 CA(SA)
Joined the Board on
5 June 2017

Chairs the Audit Committee and is a member of the Risk and Opportunities Committee and the Nominations and Governance Committee. Sango has been the executive chairperson (and co-founder) of NMT Capital, a diversified investment holding company, since 2002. He is a founding member of SizweNtsalubaGobodo, one of the big firm of accountants and auditors. He also sits on the boards of Pioneer Foods Limited and Barloworld Limited.


Sango has served on various other boards, including the National Housing Finance Corporation (NHFC), the National Energy Regulator of South Africa (NERSA) and Basil Read Holdings Limited.

ANNEXURE 2

THE HUMAN RESOURCES AND REMUNERATION COMMITTEE OF THE BOARD (REMCO)

Role of Remco and terms of reference

Remco guides the Board by ensuring that Kumba's remuneration-related decisions and policies are aligned to its overall goals, while remaining fair and equitable both to employees and shareholders. The Committee's interests and activities are geared towards developing and maintaining a strong human resources environment. The Remco terms of references can be accessed on Kumba's website:

 <https://www.angloamericankumba.com/investors/corporate-governance.aspx>

For details on the membership of Remco and attendance of meetings refer page 93 of the governance section in the integrated report.

Remuneration philosophy

The principles of our remuneration philosophy serve as a foundation to our employment ethos and underpin our company strategy. The objectives of our reward strategy are as follows:

- maintain Kumba as a preferred employer
- attract and retain top talent and critical skilled employees by providing adequate and fair compensation structures and reward schemes
- engage continuously with employees, motivating them towards a higher degree of commitment that will translate into increased levels of individual and combined performance and productivity
- align with the market median in respect of fixed pay, with variable performance-related pay, both short and long term, included in the total reward offering to ensure market competitiveness
- ensure the fair, equitable and consistent application of our remuneration principles and policies, guided by the King IV principles relating to fair and responsible remuneration
- allow employees to share in the performance and success of the business

Remco is firmly committed to its overarching responsibility of ensuring that the principles of accountability, transparency, sustainability and good governance are enacted in all

remuneration-related matters. This includes the critical link between executive remuneration and performance against set strategic objectives, with the ultimate aim of creating executive engagement and shareholder value.

In the event that the remuneration policy or implementation report, or both, have been voted against by 25% or more of the voting rights exercised by shareholders in the non-binding advisory vote, the Board will delegate representatives to actively engage with the majority shareholders to address and conciliate the substantiating objections and concerns, and to ameliorate the policy and/or report as appropriate, taking cognisance of the shareholder feedback and proposals resulting from the engagement and as approved by the Board.

Fair and responsible remuneration

The main principles and practices that drive our commitment to fair and responsible remuneration are:

- adhering to legislative requirements and prescriptions relevant to remuneration and benefits
- undertaking an annual, external benchmark of our remuneration package competitiveness across grading and job function/ category
- reviewing and adjusting accordingly any salary anomalies lying below the comparable market median within a predetermined threshold
- applying structured policies on appointment and salary movement (promotions, demotions and lateral moves), while linking salaries to functional peer-group medians to address equal pay for equal work and any income disparities based on gender, race or other demographics
- ensuring that all permanent and fixed-term employees in the Company are eligible to participate in a short-term incentive scheme, as appropriate
- designing and executing HR strategic initiatives to enhance the overall employee work experience and improve the EVP offering to our employees

ANNEXURE 2 CONTINUED

Elements of remuneration

The key elements of our remuneration framework and structure, which guides payments to all employees, are shown below, with a focus on executive directors and prescribed officers. The following colour scheme is employed throughout the remuneration report to denote the following components pertaining to the composition of our remuneration framework:

Table A – remuneration framework composition

	TOTAL GUARANTEED PAY (TGP)			
	BASE SALARY	STANDARD BENEFITS	CONDITIONAL BENEFITS	
Strategic intent	<ul style="list-style-type: none"> • Attract people with the necessary competencies (knowledge, skill, experience and attitude) to add value and discretionary effort to our business • Retain competent, high-performing employees who are engaged and live the Company values • Ensure that our pay is competitive in the industry and market-related • Comply with legislative provisions and negotiated contractual commitments • Support high-performing individuals and teams by aligning reward with performance • Reinforce and enhance the principle that employees are key assets of our company 			
Delivery mechanism	Monthly payments	<ul style="list-style-type: none"> • Employer contribution to selected retirement funds • Subsidised medical aid • Life and disability insurance • Housing allowances and five-year mortgage subsidy plan (bargaining unit employees only) • Study assistance for formal education 	<ul style="list-style-type: none"> • Seven-day production allowance • Shift allowance • Standby allowance • Call-out allowance • Government certificate of competency (GCC) allowance • Occupational medical practitioner (OMP) allowance • Position allowance • Artisan allowance • Acting allowance 	
Eligibility	All our employees		<ul style="list-style-type: none"> • Job-specific requirements • Scarce skills • Legislative requirements 	

VARIABLE PAY (VP)						
SHORT-TERM INCENTIVES				LONG-TERM INCENTIVES		
PRODUCTION BONUS	GAIN SHARE BONUS	DEFERRED BONUS	PERFORMANCE BONUS	EMPLOYEE SHARE OWNERSHIP SCHEME (ESOP)	FORFEITABLE SHARE PLAN (FSP)	LONG-TERM INCENTIVE PLAN (LTIP)
<ul style="list-style-type: none"> Aimed to align the achievement of production, safety and productivity and overall equipment effectiveness (OEE) targets at an operational level Encourage the achievement of stretch targets at a company, business unit, functional and individual level Align management and shareholder interest Allow our employees to participate in the gains attributed to strong to exceptional Company performance during the financial year Longer-term retention (deferred bonus component) 				<ul style="list-style-type: none"> Retention of skills and direct alignment with shareholder interest Reward employees for their contribution to long-term, sustainable Company performance Attract and retain key employees 		
Cash bonus paid on a quarterly or bi-annual basis, depending on the arrangement pertaining to each operation or site.	Top-up cash bonus paid out on an incremental scale to a maximum of one month's basic employment cost only on achieving and exceeding the Company's annual EBIT target. The bonus is paid out in March of the following year, following the announcement of the annual results.	The incentive is delivered in two parts: i. an annual cash incentive; and ii. a deferred cash bonus with a holding period of one year before vesting.	The incentive is delivered in two parts: i. an annual cash incentive; and ii. deferred bonus shares (DBA scheme) with a holding period of three to five years (for the Chief Executive) before vesting.	Units awarded in terms of the rules of the ownership plan.	Delivered in forfeitable shares with a holding period of three years before vesting.	Delivered in conditional shares with specific performance conditions attached to the vesting quantum after a period of three years. A further two-year holding period applies after vesting, subject to a malus condition.
Bargaining unit employees	Bargaining unit employees	Middle management level employees (Global Banding Framework 6/12)	Senior management and above	Bargaining unit employees and front-line management level employees	Prescribed officers and selected senior managers, excluding executive directors	Executive directors

ANNEXURE 2 CONTINUED

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

When assessing the performance of the Company and its prescribed officers, the Committee is mindful of its obligation to our shareholders, as elaborated in our remuneration framework. The remuneration of executive directors and prescribed officers consists of fixed and variable components that are designed to ensure a substantial portion of the remuneration package is linked to the achievement of the Company's strategic objectives, thereby aligning incentives to the creation of sustainable shareholder value.

Fixed remuneration

The total package per role is compared to levels of pay at the market median in companies of comparable size and complexity within the industry sector. Annual salary benchmark reviews are conducted to ensure market competitiveness.

The Company contributes 12% of pensionable salary to approved retirement funds. Medical aid is subsidised at 60% of the contribution to a maximum amount determined by market

comparisons. Risk insurance benefits include life cover and death-in-service benefits, subject to the rules of the approved Kumba retirement funds. The Company provides additional death and disability cover to employees through its insurance risk and compensation for occupational injuries and diseases (COID) underwriting policies.

Variable remuneration

The variable remuneration of the executive directors and prescribed officers consists of cash (annual performance bonus) and equity instruments (deferred bonus and long-term incentives) applied in combination and with the quantum and conditions appropriate to the scope of responsibility and contribution to operating and financial performance of the respective role.

The variable remuneration components of our remuneration framework can be summarised as follows for our executive directors and prescribed officers:

VARIABLE PAY COMPONENT	INSTRUMENT TYPE	PAYMENT/VESTING	ELIGIBILITY
Performance bonus	Cash	Annual cash payment in March	Executive directors, prescribed officers, senior and middle management employees
Deferred bonus arrangement (DBA)	Restricted equity	Unconditional vesting, subject to employment condition, after three to five years (five years for the Chief Executive Officer only)	Executive directors, prescribed officers and senior management employees
Deferred bonus arrangement (DBA)	Cash	Cash deferred for one year	Middle management employees
Forfeitable share plan (FSP)	Restricted equity	Unconditional, subject to employment condition, vesting after three years	Prescribed officers and qualifying senior managers (general management level employees)
Long-term incentive plan (LTIP)	Restricted equity	Conditional vesting after three years	Executive directors

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' 2018 REMUNERATION POLICY

The following section provides a comprehensive overview of the executives directors' and prescribed officers' remuneration policy applicable to the 2018 financial year.

Elements of remuneration

The key elements of our remuneration framework and structure, which guides payments to all employees, are shown below, with a focus on executive directors and prescribed officers. The following colour scheme is employed throughout the remuneration report to denote the following components pertaining to the composition of our remuneration framework:

Table B – remuneration framework composition

	FIXED REMUNERATION		VARIABLE REMUNERATION		
	TOTAL GUARANTEED PAY (TGP)		SHORT-TERM INCENTIVES		LONG-TERM INCENTIVES
	BASE SALARY	STANDARD BENEFITS	ANNUAL PERFORMANCE BONUS	DEFERRED BONUS ARRANGEMENT (DBA)	FORFEITABLE SHARE PLAN (FSP) LONG-TERM INCENTIVE PLAN (LTIP)
Purpose and link to remuneration strategy	Market-related level of remuneration differentiated on the specific requirements of the role, level of complexity and span of control	Benefits appropriate to the market and contributing to the health and wellbeing of employees in support of our employee value proposition (EVP)	The incentive is designed to reward and motivate the achievement of agreed Company safety, financial, strategic and operational objectives, linked to key performance areas within cited employees' respective portfolios. Through the deferred bonus arrangement, long-term sustained performance is encouraged		Retention and motivation of employees who are key to the delivery of the Company's long-term strategy Motivate executive directors to achieve the three-year strategic objectives of the Company pertaining to relative total shareholder return (TSR) and a balanced scorecard of performance metrics, thus aligning executive and shareholder interests. The additional two-year holding period, subject to a malus condition, ensures an accentuated level of accountability and corporate sustainability
Methodology	Base salary, as part of total guaranteed pay, is reviewed annually to ensure market competitiveness within the mining industry, as well as nationally. Kumba applies annual salary adjustment differentiation linked to individual performance (as per the Anglo American plc performance standard methodology) during the preceding performance year and is under no obligation to increase base salary	The standard benefits, as part of the total guaranteed pay fixed component of remuneration, are as follows: <ul style="list-style-type: none"> Monthly employer retirement fund contribution to selected retirement funds equal to 12% of pensionable earnings Disability cover included in the monthly employer retirement fund contribution Personal accident, life and disability cover as well as travel cover Monthly medical aid subsidy equivalent to the smallest of 60% of the monthly contribution or an annually reviewed subsidy cap Study assistance for position-related formal, further education for qualifying employees 	An annual cash incentive, determined in accordance with the Anglo American plc performance standard methodology, payable at the end of March of the year following the end of the financial year. The quantum of the annual incentive is determined as the multiple of the grading specific on-target bonus percentage (between 20% and 30% of annual basic employment cost), the business multiplier (determined by the overall Company performance within the Anglo American plc group during the performance year) and the individual performance modifier (IPM) linked to individual performance against a set performance contract for the performance year under review. The IPM is also calibrated against peer performance and individual behaviour against the group values	A deferred bonus arrangement in which a proportion of the cash incentive is matched and awarded as: <ol style="list-style-type: none"> 140% (150% for the Chief Executive) of the cash incentive in deferred shares, which is awarded after the end of the relevant financial year. These bonus shares are linked to performance during the financial year in the same manner as the annual cash incentive, and are subject to a three to five-year (only for the Chief Executive) holding period before vesting, during which it remains restricted. This is applicable to executive directors, prescribed officers and senior management Participants earn dividends on shares awarded under the DBA 	Forfeitable shares are awarded annually to qualifying prescribed officers and senior management (general management level employees) based on achieving an individual performance rating of 3 (having satisfactorily met all performance objectives for the year under review) or above on a five point ascending performance scale. The quantum of the award (face value) is 40% of annual basic employment cost for all qualifying employees and 50% for the Chief Operating Officer position. The restricted share award vests after a period of three years. Forfeitable share awards will be forfeited if the participant leaves employment during the restricted period (except if the participant is a 'good leaver' under the scheme rules). Participants earn dividends on shares awarded under the FSP The LTIP consists of conditional awards of shares vesting after three years, subject to the achievement of stretched performance conditions. Full voting and dividend rights will only accrue from the vesting date. The LTIP performance measure comprises: <ul style="list-style-type: none"> 70% relative total shareholder return (TSR) 30% balance scorecard (which consist of production unit cost, rehabilitation and mine closure, TRCFR, attributable ROCE and environmental incidents)

ANNEXURE 2 CONTINUED

Table B – remuneration framework composition continued

	FIXED REMUNERATION		VARIABLE REMUNERATION			
	TOTAL GUARANTEED PAY (TGP)		SHORT-TERM INCENTIVES		LONG-TERM INCENTIVES	
	BASE SALARY	STANDARD BENEFITS	ANNUAL PERFORMANCE BONUS	DEFERRED BONUS ARRANGEMENT (DBA)	FORFEITABLE SHARE PLAN (FSP)	LONG-TERM INCENTIVE PLAN (LTIP)
Methodology continued				<p>iii. 70% of the cash incentive in deferred cash, which is awarded after the end of the relevant financial year. The deferred cash is linked to performance during the financial year in the same manner as the annual cash incentive, and is subject to a one-year holding period before vesting, during which it remains restricted. This is applicable to middle management level employees</p> <p>The deferred bonus shares as well as deferred cash will be forfeited if the participant leaves employment during the restricted period (except if the participant is a 'good leaver' under the DBA scheme rules). Participants earn dividends on the deferred bonus shares</p>		<p>The relative TSR is further split into a 35% weighted JSE/ FTSE mining index (this index is compiled by the FTSE but consists of JSE mining companies only) and 35% global iron ore peer group. The global iron ore companies comparator group comprises IRC Limited (Hong Kong), Hengshi Mining Investments Limited (Cayman Islands), Shougang Hierro Peru S.a. (Peru), Honbridge Holdings Limited (Cayman Islands), Ferrexpo plc (United Kingdom), EVRAZ plc (United Kingdom), Companhia Siderúrgica Nacional (Brazil), NMDC Limited (India), Fortescue Metals Group Limited (Australia) and Vale S.A. (Brazil). Targets are approved by Remco for each allocation and no re-testing of performance conditions is allowed. Shares that do not vest after three years in terms of the performance conditions will lapse. Details of the 2018 performance targets and vesting schedule are presented in the accompanying Table C</p>

Table B – remuneration framework composition *continued*

	FIXED REMUNERATION		VARIABLE REMUNERATION			
	TOTAL GUARANTEED PAY (TGP)		SHORT-TERM INCENTIVES		LONG-TERM INCENTIVES	
	BASE SALARY	STANDARD BENEFITS	ANNUAL PERFORMANCE BONUS	DEFERRED BONUS ARRANGEMENT (DBA)	FORFEITABLE SHARE PLAN (FSP)	LONG-TERM INCENTIVE PLAN (LTIP)
Opportunity and maximum limit	Base salary is linked to the annual benchmarking of the total reward package against the market median of companies of comparable size and complexity within the industry. Annual differentiated performance adjustments can range from 0% for non-performing individuals to 1% above average inflation (CPI) for exceptional value creation/performance	The benefits have been designed to support the Company's employee value proposition to a competitive remuneration framework in the market	<p>The values of the annual performance incentive for executive directors and prescribed officers are:</p> <p>Chief Executive: The Chief Executive's annual incentive is determined by measuring performance against overall company targets (75%) and specific, individual key performance measures (25%) approved by the Board. The cash element of the incentive is capped at 100% of base salary</p> <p>Chief Financial Officer: The Chief Financial Officer participates in the Anglo American plc group performance management standard. This is based on a maximum on-target cash bonus percentage of 30%, an individual performance modifier (IPM) and a business multiplier (BM) that is determined at the end of the year, taking into account Kumba business performance against the targets set for the year</p> <p>Prescribed officers: As with the case of the Chief Financial Officer, prescribed officers participate in the Anglo American plc group performance management standard. This is based on a maximum on-target cash bonus percentage of 25% or 30% (Chief Operating Officer) of base salary, an IPM and a BM that is determined at the end of the year taking into account Kumba business performance against the targets set for the year</p>	<p>Executive directors, prescribed officers and senior management: 140% (150% for the Chief Executive) of the cash incentive in deferred shares, which is awarded after the end of the relevant financial year</p> <p>Middle management: 70% of the cash incentive in deferred cash, which is awarded after the end of the relevant financial year</p>	The FSP award quantum is fixed at 40% of the participant's annual base salary (face value of share award) for qualifying prescribed officers and senior managers. The only exception is for the Chief Operating Officer position for which the quantum is fixed at 50% of annual base salary	The maximum annual face value of the LTIP award is 150% of base salary for the Chief Executive and 100% of base salary for the Chief Financial Officer

ANNEXURE 2 CONTINUED

Table B – remuneration framework composition continued

	FIXED REMUNERATION		VARIABLE REMUNERATION			
	TOTAL GUARANTEED PAY (TGP)		SHORT-TERM INCENTIVES		LONG-TERM INCENTIVES	
	BASE SALARY	STANDARD BENEFITS	ANNUAL PERFORMANCE BONUS	DEFERRED BONUS ARRANGEMENT (DBA)	FORFEITABLE SHARE PLAN (FSP)	LONG-TERM INCENTIVE PLAN (LTIP)
Performance conditions	Linked to the individual performance objectives or key performance indicators contracted for the performance year, aligned with the business strategy and operational objectives as approved by the Board and cascaded through the business	N/A	Managers within Kumba are measured on business-specific strategic value drivers aligned to operational and/or mine-specific strategic priorities as approved by the Board. In 2018 emphasis was placed on the following: <ul style="list-style-type: none"> • leading and lagging safety indicators including safety leadership • total production and compliance to mine plan • cost optimisation (unit cost) • financial performance: EBIT, operating free cash flow, earnings per share 		The participant needs to achieve an individual performance rating of 3 (having satisfactorily met all performance objectives for the year under review) or above on a five-point ascending performance scale to qualify for an award pertaining to the prior performance year	Two weighted performance metrics measured over a three-year period apply to each award being: <ul style="list-style-type: none"> • 70% relative total shareholder return (TSR) • 30% balance scorecard (which consist of production unit cost, rehabilitation and mine closure, TRCFR, attributable ROCE and environmental incidents) <p>The relative TSR is further split into a 35% weighted JSE/ FTSE mining index (this index is compiled by the FTSE but consists of JSE mining companies only) and 35% global iron ore peer group</p> <p>The threshold and stretched targets for the 2018 LTIP award as approved by the Remco is presented in the accompanying Table C</p>
Eligible participants	Executive directors, prescribed officers, senior and middle management employees		Executive directors, prescribed officers, senior and middle management employees		Prescribed officers and qualifying senior managers (general management level employees)	Executive directors
Company limits on equity awards	N/A		N/A	The aggregate limit for the DBA, FSP and LTIP is 10% of the issued share capital. Shares are purchased in the market and not issued for the purpose of settlement of the DBA, FSP or LTIP. The current level of outstanding shares is equal to 0.823% of total issued share capital		

Table B – remuneration framework composition *continued*

	FIXED REMUNERATION		VARIABLE REMUNERATION		
	TOTAL GUARANTEED PAY (TGP)		SHORT-TERM INCENTIVES		LONG-TERM INCENTIVES
	BASE SALARY	STANDARD BENEFITS	ANNUAL PERFORMANCE BONUS	DEFERRED BONUS ARRANGEMENT (DBA)	FORFEITABLE SHARE PLAN (FSP) LONG-TERM INCENTIVE PLAN (LTIP)
Policy changes in 2018	None	None	None		None The threshold vesting quantum of the LTIP conditional share award of 30% has been aligned with the Anglo American plc group practice of 25% vesting at threshold and was agreed by the Remco and Nominations Committees for the 2018 awards onward. The threshold and stretched targets on the attributable ROCE performance indicator of respectively 11% and 31% was agreed by the Remco in 2018. The targets were previously 3% and 13% for threshold and stretch respectively. The increase in threshold and stretch ROCE targets for 2018 can be attributed to an improved ROCE realisation potential anticipated over the performance period (2018 to 2019), based for the most part on the improvement of the iron ore market conditions combined with a number of business improvement initiatives initiated over the past two years. The global iron ore comparator group was reviewed for 2018 to maintain suitability under dynamic market conditions. Three additional companies were added to the comparator (10 companies in total) and Atlas Iron (Australia), Mount Gibson (Australia), China Vanadium (China) and Rio Tinto Ltd (Australia) have been replaced

ANNEXURE 2 CONTINUED

Table C – 2018 LTIP award performance conditions, targets and vesting schedule

PERFORMANCE INDICATOR	% OF ALLOCATION SUBJECT TO INDICATOR	PERFORMANCE INDICATOR	% OF ALLOCATION SUBJECT TO INDICATOR	BELOW THRESHOLD TARGET	THRESHOLD TARGET	STRETCH TARGET
Total Shareholder Return (TSR) achieved	70%	Global iron ore comparator group	50%	Below median TSR	Median TSR	Upper quartile TSR ranking
		Vesting schedule		0%	25%	100%
		JSE/FTSE Mining index	50%	Below the performance index	Performance at the index	Performance at the index + 9%
		Vesting schedule		0%	25%	100%
Balance Scorecard	30%	Production unit cost	16.66%	>100%	100%	90%
		Vesting Schedule		0%	25%	100%
		Provision for rehabilitation and mine closure	16.66%	N/A	100%	N/A
		Vesting Schedule		N/A	100%	N/A
		Return on Capital Employed (ROCE)	33.33%	<20%	20%	25%
		Vesting Schedule		0%	25%	100%
		Total Recordable Case Frequency Rate (TRCFR)	16.66%	>100%	100%	95%
		Vesting Schedule		0%	25%	100%
		Level 4 and 5 environmental incidents	16.66%	N/A	100%	N/A
		Vesting Schedule		N/A	100%	N/A

Executive directors' and prescribed officers' contracts of employment

Executive directors and prescribed officers are not employed on fixed-term contracts but have standard employment contracts with notice periods of up to six months. The Chief Executive's contract has a restraint of trade provision for a period of 12 months after the termination of his employment. There are no additional payments for any of the restraint obligations as the Chief Executive's remuneration is deemed fair and reasonable compensation inclusive of the restraint obligations.

There is no restraint of trade provisions applicable to the Chief Financial Officer and prescribed officers. No restraint payments have been made during this year. There are no change of control provisions or any provisions relating to payment on termination of employment.

Appointments of executive directors and prescribed officers

Appointments are subject to approval by the Board and are governed by the business integrity policy.

NON-EXECUTIVE DIRECTORS' FEES

Non-executive directors do not have employment contracts with the Company or participate in any of the Company's incentive plans. Non-executive directors are subject to retirement by rotation and re-election by shareholders in accordance with the Memorandum of Incorporation of the Company.

Recommendations on the level of fees payable to non-executive directors is made by Remco and is approved by the shareholders. Non-executive directors' remuneration is determined through the benchmarking of market data, based on a survey of a representative comparator group of JSE-listed companies, as conducted by an independent external service provider. Fees are not dependent on meeting attendance. There are no other supplementary fees payable.

Annual fees payable to non-executive directors were approved by shareholders at the AGM on 11 May 2018. The fees are as follows:

2018 fees per annum (Rand)

Capacity	Chairperson	Member
Board of directors	1,422,107	235,125
Audit Committee	313,815	156,081
Risk and Opportunities Committee	313,815	156,081
Social, Ethics and Transformation Committee	313,815	156,081
Human Resources and Remuneration Committee	313,815	156,081
Nominations and Governance Committee	N/A*	156,081

* The Nominations and Governance Committee is chaired by the Chairperson of the Board and there are no additional fees paid for this responsibility.

GUARANTEED PAY ADJUSTMENTS

Average rate of increase for 2018

A market adjustment mandate of 5.5% on the cost to company (CTC – base salary plus employer retirement fund contribution) was approved by the Remco for the non-bargaining category employees, in line with our mining peers and national benchmarks conducted by an external, third-party service provider. The approved mandate was further differentiated based on individual performance ranging from a 0% adjustment for non-performing employees to 6.5% for employees with exceptional value delivery and performance during the prior performance year (2017). An additional discretionary 1% mandate was approved to address individuals notably below the market median, taking cognisance of their performance (performance rating of 3 and above) during the prior two performance years.

The total reward (TR) remuneration of the executive directors are benchmarked against a comparator peer group of JSE-listed companies of similar size and nature of operations and undertaken by a third-party, external service provider. The criteria utilised in the determination of an appropriate peer group were total assets under control, annual turnover and number of employees.

Based on the recommendations of the benchmark, the Committee adjusted the cost to company (CTC) of the Chief Executive Officer, to better align his total reward with the peer group median. The Committee also approved the alignment of the maximum value potential of the Chief Executive's short-term incentive from 70% of annual basic employment cost (BEC) to a 100% of annual BEC.

A total salary adjustment mandate of 15% for the Chief Executive, for 2018, was effected as follows:

- a 6.5% increase based on the annual inflation adjustment applied to exceptional performing employees and which was effective 1 January 2018;
- a further retrospective top up of 7.98% implemented in March 2018 (retrospective to 1 September 2017).

An annual salary benchmarking review, conducted by a third-party external service provider, at the request of Committee was completed in November 2018. Specific consideration was given to the total reward package of the Chief Financial Officer, compared to his mining industry comparator peer group. The Committee, based on the benchmarking guidance, decided to align the remuneration package of the Chief Financial Officer to the median of his comparator peer group. A two tiered salary market adjustment over a two-year period was proposed for the Chief Financial Officer, with a first salary market adjustment increment of 12.5% effective as of 1 December 2018.

In 2017, a multi-year collective bargaining agreement was concluded between Kumba and the representative trade unions for the period 1 July 2017 to 30 June 2020. Our three recognised trade unions, being the National Union of Mineworkers (NUM), Solidarity and the Association of Mineworkers and Construction Union (AMCU), together with management, concluded the agreement which regulates the annual adjustment percentage. A new, multi-year wage

agreement ranging between a 10% increase on the lowest level and 7% on the highest level of the bargaining category, effective from 1 July 2017 until 30 June 2020 was agreed and signed on 12 September 2017, with 2018 being the second year of implementation of this agreement.

ANNUAL PERFORMANCE INCENTIVE OUTCOMES – LINKED TO UNDERLYING PERFORMANCE (BUSINESS AND INDIVIDUAL)

Safety performance

Safety still remains our first priority. We kept our commitment on safety and remained fatality-free with significant improvement across multiple safety indicators. Throughout 2018, we continued to roll out our fatalities elimination framework which embeds the principles of safe behaviour. Instilling a culture that makes safety a key value is what makes the difference, and this is demonstrated by our track record of remaining fatality-free since 2016. To further emphasise that safety is non-negotiable, Kumba has linked safety to business performance through its incentive structure to recognise and reward a positive safety culture. High potential incidents, which is a leading indicator of fatalities reduced by 67% to 7 (2017: 21). Of the lagging indicators, the total recordable case frequency rate declined to 1.80 (2017: 3.23) and lost-time injuries remained similar to 2017 at 21. This has resulted in encouraging improvements reflected in our leading indicator reporting. Kumba has further entrenched its commitment to safety and its direct relation to the performance incentives of its senior and executive management, by implementing a safety adjustment penalty modifier on fatalities. This ranges from 10% to 20%, dependent on the line-of-sight per incident and is effective from 2018.

Production performance

Total tonnes mined increased 8% to 292.5 Mt with operating efficiency improving from 58% last year to 65% of benchmark in 2018. Total production reduced by 4% to 43.1 Mt, as planned, within our guidance of 43 to 44 Mt. At the mine level, Sishen delivered 29.2 Mt and Kolomela 13.9 Mt of production with ongoing improvements in productivity, resulting in the reduction of unscheduled work by up to 40%. Sishen and Kolomela achieved an 91% and 80% mine-to-plan compliance, respectively. Planned production was reduced to offset elevated stock levels arising from rail constraints.

Total sales volumes were well within guidance of between 42 Mt and 44 Mt at 43.3 Mt (2017: 44.9 Mt) although export sales volumes decreased by 4% to 40.0 Mt (2017: 41.6 Mt). The decrease was as a result of a combination of missed sales opportunities due to derailments experienced, single loading due to the six-week scheduled refurbishment of a ship loader, and temporary closure of the IOEC due to a truck colliding with a railway bridge in November 2018.

Our flexible production enabled a timeous response to the rail constraints and to market demand for premium quality products. Planned plant production volumes were reduced to mitigate elevated levels of finished stock and the quality of the product portfolio improved to benefit from the quality and lump premium.

ANNEXURE 2 CONTINUED

Total tonnes mined at Sishen increased by 11% to 220.5 Mt (2017: 199.5 Mt), following a 9% increase in fleet productivity. Our strategy to maximise value of tonnes mined resulted in total production decreasing to 29.2 Mt (2017: 31.1 Mt). Consistent with the mine plan, the stripping ratio increased to 4.7 compared to 4.3 in 2017 resulting in the amount of waste mined increasing to 182 Mt (2017: 162 Mt).

Total tonnes mined at Kolomela increased by 0.4% to 72.0 Mt (2017: 71.8 Mt), with production remaining flat at 13.9 Mt and waste stripping increasing to 56.0 Mt (2017: 55.6 Mt). Due to rail constraints and sufficient finished stock levels at the mine, additional maintenance was undertaken on the DMS modular plant to ensure optimal performance through life-of-mine. Good productivity and efficiency gains were achieved with the 996-waste shovel tempo increasing by 36%. Kolomela achieved an 80% mine-to-plan compliance.

Cost containment

Operating expenses decreased marginally to R29.4 billion compared to R29.8 billion (excluding the reversal of the Sishen impairment) in the prior year, principally as a result of lower production and sales volumes as well as the benefit of cost savings. Cost savings of R976 million from operating efficiency improvements and overhead cost reductions largely offset inflationary pressure on input costs and higher distribution costs. Selling and distribution costs increased by 6% largely due to higher demurrage caused by rail constraints and above inflation increases in Transnet tariffs.

Unit cash costs at Sishen increased to R290/tonne (2017: R287/tonne). This was primarily due to lower production volumes and above inflation mining-related cost escalation including diesel prices and higher stripping movement, which were partially offset by cost savings. In addition, during the year, the group capitalised an increased number of equipment spares as property, plant and equipment, for which the reconditioning costs incurred met the recognition criteria.

Kolomela incurred unit cash costs of R248/tonne (2017: R237/tonne), representing a 5% increase in line with expectations, due to higher mining volumes and above inflationary pressures from higher fuel prices, partially offset by savings on overhead costs,

Business and Operating Model

The Kumba Operating Model ensures the stability of our operations, a reduction in variability and enhanced efficiency, while fostering continuous improvement. At our Sishen operation, our focus was on

the stabilisation of the work management processes in the mining and truck maintenance areas and implementation at the processing plant and drilling maintenance sections. In the mining areas, work management enables a fully integrated view of all activities in the pit and ensures greater adherence to the mining schedule. The most visible and immediate impact was the reduction of unscheduled work by up to 40% in some areas with Sishen achieving an 91% mine-to-plan compliance. At Kolomela, this led to improved work management practices in mining, mobile equipment maintenance and the processing plant.

With rail logistics becoming the overall value chain constraint, focus was placed on improving the train load out and turnaround times at our mines, as well as at reducing the variability of individual wagon loads.

The utilisation of technology as an enabler of safety and strategic delivery. The roll out of additional auto-drills has enabled a non-interrupted drilling cycle. The implemented truck payload optimisation schedule and installation of advanced control rooms to monitor and manage production in real-time are geared toward increasing productivity rates. These initiatives and our continuous drive to improve productivity and efficiency have resulted in efficiency improving to 65% of the OEE (overall equipment efficiency) benchmark.

Financial performance

Kumba ended the year with a net cash position of R11.7 billion (2017: R13.9 billion). Cash flow generated from operations decreased by 16% to R18.9 billion (2017: R22.4 billion), due to higher working capital requirements which offset the increase in EBITDA. The increase in working capital largely relates to the higher finished stock of 5.3 Mt (2017: 4.3 Mt) following logistical challenges on the rail line.

Stakeholder value was created by paying income tax of R4.1 billion (2017: R5.9 billion) and mineral royalties of R983 million (2017: R1.2 billion) to government, providing capex of R4.5 billion (2017: R3.1 billion), and distributing dividends to shareholders of R12.5 billion (2017: R6.7 billion).

Capital expenditure of R4.5 billion was incurred: R2.3 billion on stay-in-business (SIB) activities, R1.7 billion on deferred stripping, and R500 million on expansions, which comprised R200 million on the Dingleton project and R200 million on the second Sishen modular plant, commissioned in November 2018.

CHIEF EXECUTIVE PERFORMANCE OVERVIEW – TM MKHWANAZI – 1 JANUARY TO 31 DECEMBER 2018

2018 key result area	Performance level achieved					Linking 2018 performance to reward – commentary on key performance outcome
	KPI weighting	Below threshold	Between threshold and target	Between target and stretch	Stretch and exceeding	
Anglo American group performance (10%)						
EPS (CPS) Anglo American Group	5%		●			Above threshold but below target (1.5% rating)
Operating free cash flow (US\$m)	5%				●	Exceeded stretch target (5% rating)
Kumba Iron Ore performance (65%)						
Production (Mt)	10%		●			Above threshold but below target (5.2% rating)
Sishen waste (Mt)	15%			●		Above target but below stretch (10% rating)
Kolomela waste (Mt)	10%		●			Above threshold but below target (6% rating)
EBIT (US\$m)	20%				●	Exceeded stretch target (20% rating)
Sishen unit cash cost (R/tonne)	5%				●	Exceeded stretch target (5% rating)
Kolomela unit cash cost (R/tonne)	5%		●			Above threshold but slightly below target (3% rating)
Personal performance (25%)						
Safety	10%			●		Between target and stretch (9.5% rating)
Business development	5%			●		Between target and stretch (3.5% rating)
Full potential transformation – Tswelelopele	5%			●		Between target and stretch (4.5% rating)
Strategic development – Northern Cape	5%				●	Exceeded stretch target (5% rating)

SSD* modifier (±10%)	KPI weighting	
Fatal injury frequency rate (FIFR)	(7.5%)	Zero fatalities – no penalty applied
Levels 4 and 5 environmental incidents	(2.5%)	Zero fatalities – no penalty applied
Total recordable case frequency rate	5%	TRCFR target exceeded – 5% incentive applied
Operational risk management implementation	5%	Top 10 SSD risks under control and managed through the ORM process – 5% incentive applied

2018 performance rating after applying SSD modifier: 87.7% – resulting in a short-term incentive cash bonus of 87.7% of annual BEC out of the maximum bonus potential of 100 % of annual BEC. Deferred shares are based on 150% of the cash award. The total award split is as follows: 40% payable as cash, 40% payable as shares deferred for three years and 20% as shares deferred for five years.

ANNEXURE 2 CONTINUED

Kumba, under the strategic direction and leadership of the Chief Executive, had a sterling performance year across all of its operational key result areas with the following synopsis across the respective performance areas:

Financial indicators – Exceeding stretch target on both EBIT and unit cash cost for Sishen, with Kolomela unit cash cost above the threshold but below the target. Significantly contributed to the achievement of the Anglo American plc financial objectives with results either exceeding the target or above the threshold.

Production indicators – Met the threshold target on combined production (Sishen and Kolomela) and on waste stripping at Sishen.

Safety – The year had a strong, positive safety performance with no fatalities reported, honouring our commitment of leading a zero harm business. This year the total recordable case frequency rate improved to 1.80 (2017: 3.23), high potential incidents, which is a leading indicator of fatalities, reduced by 67% to 7 (2017: 21) and the number of injuries resulting in lost-time remained similar to 2017. This was achieved largely by a leadership focus on safety, driven personally by the Chief Executive and his focus on safety values and expectations.

A complete implementation of Safety Leadership Alignment (SLAD) training at supervisory level was conducted followed by a roll out of the leadership code, that was geared towards building Leadership capability. A strong ethos of being your “brother’s” or “sister’s” keeper was encouraged.

Business development – Highlight has been the shovel performance improvement, a 65% improvement compared to 2016, reducing the use of contractors resulting in cost savings. This was achieved through better mine design and equipment layout, use of the modular fleet management, increased direct operating hours (DOH) through better workforce management and tempo increases with application of the double sided loading. Plant improvements generated better yield and a shift to higher-quality lump product at a time of record lump premium. All Anglo American bulk commodities improvement processes have been implemented, facilitating sharper performance focus in the business. The Operating Model implementation is in line with schedule, with post-implementation performance KPIs (reported weekly) at 50% to 85% level.

Strategic development – Mining rights conditions in compliance and replacement ESOP implemented. Excellent progress both on exploration and tenement negotiations. Resource development plan (RDP) is on track. Both plant projects progressing to schedule.

Full potential transformation – Tswelelopele – Three major initiatives have been introduced as part of an overarching commitment to nurturing an inclusive company culture. The Kumba Leadership and Culture Code drives accountability, safety values and diversity. Employee engagement, utilising the South African tradition of story-telling to create a golden thread in messaging, is being encouraged at the Kumba operations. Leadership capacity building is being implemented and significant cultural shifts have been noted.

CHIEF FINANCIAL OFFICER PERFORMANCE

Key result area	KPI weighting	Below target	On-target	Exceeding target	Linking 2018 performance to reward – commentary on key performance outcomes
Compulsory key performance indicator (KPI) Section – 35% of contract					
Safety performance	5%			●	80% scoring against objectives
Tswelopele full potential programme implementation	5%			●	80% scoring against objectives
Removing bureaucracy efficiency drive	15%			●	80% scoring against objectives
Personal and team development	5%			●	80% scoring against objectives
Preferential procurement	5%			●	80% scoring against objectives
Individual key performance indicators (KPI) Section – 65% of contract					
Business development projects	10%			●	80% scoring against objectives
Financial reporting and investor relations	15%			●	93% scoring against objectives
Cost stewardship	15%			●	93% scoring against objectives
Capital allocation and working capital management	10%			●	80% scoring against objectives
Business partnering and special projects	10%			●	80% scoring against objectives
People transformation	5%			●	80% scoring against objectives
Overall 2018 performance rating (score out of 5)					4 – (84%)

ANNEXURE 2 CONTINUED

Key performance commentary for the period under review

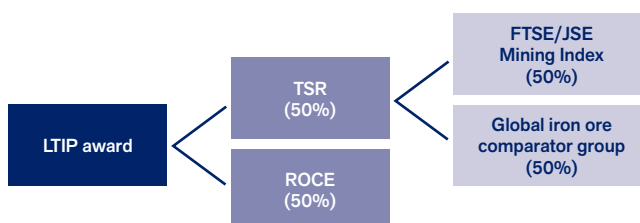
- Total recordable case frequency rate (TRCFR) exceeding target
- Achieved pro-rated group planned outcomes of full potential transformation programme. A US\$10/tonne margin improvement programme which has translated into clearly defined targets per key driver and time horizon, with a clear monthly tracking system in place
- Full ESOP implementation
- Balancing working capital in a rail constrained environment
- Capex discipline to retain balance sheet flexibility, maintain strong cash flow and assess all discretionary capex
- High-quality external reporting
- Integration of full potential programme – Tswelelopele into business plan
- Clear capital allocation framework and dividend policy prioritising returns
- Targeted 20% reduction in:
 - approval time lines
 - expenditure review meetings
 - removal of duplication in approval forums

LTIP VESTING OUTCOMES AND AWARDS FOR THE EXECUTIVE DIRECTORS

Long Term Incentive Plan (LTIP)

During 2016, conditional shares were awarded to eligible participants in terms of the rules of the LTIP. Vesting of these offers is subject to performance conditions based on the following measures:

- Relative total shareholder return (TSR) – 50 %
- Attributable return on capital employed (ROCE) – 50 %



The performance condition testing has been calculated based on targeted versus actual performance during 2018, with reference to base year (2015) parameters. During 2018, the actual attributable ROCE performance was recorded as above the extended (stretch) target. In terms of the relative TSR measure, Kumba performed above the upper quartile compared to the global iron ore comparator group as well as the FTSE/JSE Mining Index stretch target.

Attributable ROCE and vesting conditions – applicable to 50% of conditional shares:

Performance in terms of attributable ROCE for 2018 has resulted in the 2016 conditional award vesting as follows:

Table A : 2018 Attributable ROCE Condition Testing – 50% of 2016 Overall Award Vesting Condition

Percentage of LTIP vesting	Performance target level	ROCE target for 2016 award (2019 vesting)	2018 attributable ROCE achieved	2018 attributable ROCE condition vesting
30.0%	Threshold	3.0%	44.9%	100.0%
100.0%	Stretch	13.0%		

As a result of the 2018 actual ROCE performance being above the extended (stretch) target of 13%, all conditional shares subject to this performance condition will vest in 2019, ie 50% of 2016 award.

TSR performance and vesting conditions

50% of the conditional shares that are subject to the TSR performance condition that will vest are determined by assessing the Company's relative performance to a global iron ore comparator group in terms of TSR. The approved peer group for the period was determined as:

- Atlas Iron
- China Vanadium
- Rio Tinto
- Mount Gibson Iron
- Fortescue Metals
- Ferrexpo
- Vale

Table B: 2018 relative TSR global iron ore comparator group condition testing – 25% of 2016 overall award vesting condition

Percentage of LTIP vesting	Performance target level	ROCE target for 2016 award (2019 vesting)	2018 attributable ROCE achieved	2018 attributable ROCE condition vesting
30.0%	Threshold	38.2% (median)	106.2%	100.0%
100.0%	Stretch	54.2% (upper quartile)		

As noted above, the comparator group and mining index carry an equal weighting in determining the vesting percentage in terms of the total shareholder return performance. As a result, 100% of share awards subject to the TSR performance condition, will vest, ie 50% of the 2016 award/grant.

Kumba ranked above the upper quartile of the above comparator group and therefore 100% of this portion will vest, ie 25% of the 2016 award/grant.

The remaining half of the conditional shares that are subject to the relative TSR performance condition that will vest is determined by assessing the Company's relative performance against the JSE/FTSE Mining Index. Kumba's TSR of 106.22% lies above the JSE/FTSE mining index stretch target. As a result, 100% of this portion will vest, ie 25% of the 2016 award/grant.

Table C: 2018 relative TSR FTSE/JSE Mining Index (Weighted Market Cap) condition testing – 25% of 2016 overall award vesting condition

Percentage of LTIP vesting	Performance target level	ROCE target for 2016 award (2019 vesting)	2018 attributable ROCE achieved	2018 attributable ROCE condition vesting
30.0%	Threshold	-23.6% (index)	106.2%	100.0%
100.0%	Stretch	-14.6% (index + 9%)		

Overall LTIP vesting based on the combined attributable ROCE and relative TSR performance conditions

The overall vesting of the 2016 LTIP conditional share award based on both the attributable ROCE (50%) and the relative TSR (50%) performance measures for 2018 is 100%.

ANNEXURE 2 CONTINUED

2018 SINGLE FIGURE REMUNERATION

R'000	Guaranteed pay and benefits			Additional payments		Short-term Incentive	Long-term incentive				Total emoluments
	Base salary	Benefits	Total guaranteed pay	Circum- stantial payments	Termination payments	Cash bonus (paid March 2019)	DBA	FSP	LTIP	Total long-term incentive	2018
Executive directors		5		6		7	8	9			
TM Mkhwanazi ^{2,10}	7,936	306	8,242	2,898	–	6,230	9,345	–	16,934	26,279	43,649
BA Mazarura	3,700	266	3,966	35	–	1,534	2,147	–	–	2,147	7,682
NB Mbazima ²	–	–	–	–	–	–	–	–	86,954	86,954	86,954
FT Kotzee ^{1,2}	–	–	–	–	–	–	–	–	26,287	26,287	26,287
Sub-total	11,636	572	12,208	2,933	–	7,764	11,492	–	130,175	141,667	164,572
Prescribed officers											
PJP Fourie ¹⁰	2,447	354	2,801	678	–	899	1,258	760	4,140	6,158	10,536
SA Martin ³	1,286	139	1,425	–	–	562	787	–	–	787	2,774
GM McGavigan	2,892	266	3,158	838	–	1,093	1,530	858	–	2,388	7,477
Y Mfelo	2,383	277	2,660	599	–	853	1,194	721	–	1,915	6,027
TS Smit ⁴	5,844	1,093	6,937	3,727	–	3,605	5,047	–	15,381	20,428	34,697
SV Tyobeka	2,887	266	3,153	726	–	1,091	1,528	857	–	2,385	7,355
CD Appollis	1,844	272	2,116	4	–	469	656	–	–	656	3,245
Sub-Total	19,583	2,667	22,250	6,572	–	8,572	12,000	3,196	19,521	34,717	72,111
Total	31,219	3,239	34,458	9,505	–	16,336	23,492	3,196	149,696	176,384	236,683

¹ Resigned 11 May 2017. LTIP value refers to award retained in terms of separation agreement.

² Value of LTIP shares awarded in 2016 with a performance period ending 31 December 2018 based on a 100% achievement of performance conditions and a three-day VWAP on 31 December 2018 of R276.94.

³ Emoluments are from 1 July 2018. Cash bonus includes a pro-rated bonus earned at Anglo Coal SA.

⁴ Employed by Anglo American Marketing Limited (Singapore branch) and emoluments are paid in Singapore Dollars and Pound Sterling. The DBA and LTIP shares awarded is settled in Anglo American plc shares. Included in circumstantial payments are cost of living related allowances as well as dividend equivalent related to the Anglo American plc shares.

⁵ Benefits include employer contribution to retirement fund and medical aid.

⁶ Includes cash in lieu of dividends, leave encashment and retention bonus payment.

⁷ Cash bonus is based on 2018 performance – paid in March 2019.

⁸ Face value of DBA shares awarded in March 2019 based on the 2018 bonus value.

⁹ Face value of FSP shares awarded in 2018.

¹⁰ LTIP value includes the vesting value calculated at R367.53 of Anglo American shares previously awarded when employed by Anglo American Coal SA.

2017 SINGLE FIGURE REMUNERATION

R'000	Guaranteed pay and benefits			Additional payments		Short-term Incentive	Long-term incentive				Total emoluments
	Base salary	Benefits	Total guaranteed pay	Circumstantial payments	Termination payments	Cash bonus (paid March 2018)	DBA	FSP	LTIP	Total long-term incentive	2017
Executive directors	10			11	12	13	14	15			
TM Mkhwanazi ^{10, 16}	6,924	269	7,193	–	–	4,439	6,659	–	2,866	9,525	21,157
BA Mazarura ³	1,158	87	1,245	–	–	408	571	–	–	571	2,224
NB Mbazima ^{1, 16}	–	–	–	–	–	–	–	–	17,830	17,830	17,830
FT Kotzee ^{2, 16}	1,218	97	1,315	–	620	–	–	–	5,512	5,512	7,447
Sub-total	9,300	453	9,753	–	620	4,847	7,230	–	26,208	33,438	48,658
Prescribed officers											
PJP Fourie ⁶	1,539	222	1,761	119	–	819	1,146	907	1,170	3,223	5,922
B Mawasha ⁴	2,184	232	2,416	–	2,492	785	–	2,291	–	2,291	7,984
GM Mc Gavigan	2,695	283	2,978	80	–	1,293	1,810	1,131	–	2,941	7,292
Y Mfolo	2,259	262	2,521	1	–	887	1,242	948	–	2,190	5,599
LLA Mgadzah ⁵	613	44	657	–	2,670	703	–	–	–	–	4,030
TS Smit ⁹	5,844	1,078	6,922	2,483	–	2,735	3,829	–	4,599	8,428	20,568
SV Tyobeka	2,546	272	2,818	–	–	1,223	1,712	1,025	–	2,737	6,778
CD Appollis ⁸	146	21	167	1,000	–	46	64	–	–	64	1,277
A Parboosing ⁷	1,023	112	1,135	–	46	1,410	–	–	–	–	2,591
Sub-Total	18,849	2,526	21,375	3,683	5,208	9,901	9,803	6,302	5,769	21,874	62,041
Total	28,149	2,979	31,128	3,683	5,828	14,748	17,033	6,302	31,977	55,312	110,699

¹ Value of LTIP shares awarded in 2015, estimated LTIP value – 1 March 2018 vesting is delayed due to employee being subject to a closed period.

² Resigned 11 May 2017.

³ Appointed 1 September 2017.

⁴ Resigned 30 June 2017.

⁵ Resigned 28 February 2017. Cash bonus includes cash payment in lieu of 2017 DBA share award.

⁶ Internal transfer from Anglo American Coal SA on 1 May 2017. Cash bonus includes pro-rata bonus earned at Anglo American Coal SA. LTIP value earned relate to an award made in Anglo American plc shares, when employed at Anglo American Coal SA.

⁷ Resigned 30 June 2017. Cash bonus includes cash payment in lieu of 2017 DBA share award.

⁸ Appointed 1 December 2017. Circumstantial payments include once-off attraction bonus.

⁹ Employed by Kumba Singapore Pte and emoluments are paid in Singapore Dollars and Pound Sterling. The DBA and LTIP shares awarded is settled in Anglo American plc shares. Included in circumstantial payments are cost of living related allowances as well as dividend equivalent related to the Anglo American plc shares.

¹⁰ Benefits include employer contribution to retirement fund and medical aid.

¹¹ Includes long service payments, attraction bonus, leave encashment.

¹² Termination payments include leave encashment, notice pay and severance pay. Termination payment for FT Kotzee reflects only leave encashment (detail of his severance package of R26,076,878 was provided on page 99 of the 2017 Integrated report).

¹³ Cash bonus is based on 2017 performance – paid in March 2018.

¹⁴ Face value of DBA shares awarded in 2018 based on the 2017 bonus value.

¹⁵ Face value of FSP shares awarded in 2017.

¹⁶ Value of LTIP shares awarded in 2015 with a performance period ending 31 December 2017 based on a 87.54% achievement of performance conditions and a three-day VWAP on 31 December 2017 of R374.36.

The 2017 single figure of remuneration table was updated and refined to align with the principles of King IV.

ANNEXURE 2 CONTINUED

2018 SINGLE FIGURE REMUNERATION

R'000	Fees		Total emoluments
	Directors' fees	Committee fees	2018
Non-executive directors			
MS Bomela	231	393	624
N Dlamini	231	153	384
S French	231	153	384
MSV Gantsho	1,389	—	1,389
TP Goodlace	643	422	1,065
NB Langa-Royds	250	530	780
DD Mokgatle	231	1,016	1,247
AJ Morgan ¹	94	424	518
SS Ntsaluba	231	665	896
S Pearce	231	153	384
BP Sonjica	231	495	726
Total	3,993	4,404	8,397

¹ Resigned 11 May 2018

2017 SINGLE FIGURE REMUNERATION

R'000	Fees		Total emoluments
	Directors' fees	Committee fees	2017
Non-executive directors			
F Titi ¹	952	—	952
ZBM Bassa ²	108	432	540
MS Bomela ³	19	25	44
N Dlamini	219	74	293
S French ⁴	167	74	241
MSV Gantsho ⁵	—	551	551
TP Goodlace ⁶	167	414	581
NB Langa-Royds ⁷	—	—	—
DD Mokgatle	219	810	1,029
AJ Morgan	219	889	1,108
LM Nyhonyha ⁸	—	—	—
SS Ntsaluba ⁹	130	346	476
S Pearce ¹⁰	167	74	241
BP Sonjica	219	291	510
AH Sangqu ¹¹	52	69	121
N Viljoen ¹²	52	—	52
Total	2,690	4,049	6,739

¹ Resigned 30 September 2017² Resigned 11 May 2017³ Appointed 1 December 2017⁴ Appointed 24 March 2017⁵ Appointed 1 August 2017⁶ Appointed 24 March 2017⁷ Appointed 1 December 2017. No payment for 2017 as first payment is due for February 2018⁸ Resigned 31 December 2016⁹ Appointed 5 June 2017¹⁰ Appointed 24 March 2017¹¹ Resigned 24 March 2017¹² Resigned 24 March 2017

UNVESTED AWARDS AND CASH FLOW

The interests of the executive directors and of prescribed officers in shares of the Company granted in terms of the various long-term incentive schemes are shown below.

				Number of shares						Estimated fair value on 31 December 2018 R'000
2018	Scheme	Award date	Earliest date of vesting	Opening balance on 1 January 2018	Granted during 2018	Forfeited during 2018	Vesting during 2018	Closing balance on 31 December 2018	Value of receipts R'000	
Executive directors									3	4
TM Mkhwanazi	DBA	1 March 2017	1 March 2020	5,205				5,205	154	1,441
	DBA	1 March 2017	1 March 2022	2,082				2,082	61	577
	DBA	1 June 2017	1 March 2020	5,171				5,171	153	1,432
	DBA	1 June 2017	1 March 2022	2,585				2,585	76	716
	DBA	9 April 2018	1 March 2012		12,575			12,575	182	3,483
	DBA	9 April 2018	1 March 2023		6,288			6,288	91	1,741
	LTIP	15 September 2016	1 March 2019	23,774	—			23,774	—	6,584
	LTIP	1 June 2017	1 March 2020	43,748				43,748	—	6,962
	LTIP	1 June 2018	1 March 2021		30,184			30,184	—	3,525
Sub-total				82,565	49,047	—	—	131,612	717	26,461
BA Mazarura	DBA	9 April 2018	1 March 2021	—	1,617			1,617	23	448
	LTIP	1 September 2017	1 March 2020	15,496				15,496	—	2,466
	LTIP	1 June 2018	1 March 2021	—	9,798			9,798	—	1,144
Sub-total				15,496	11,415	—	—	26,911	23	4,058
NB Mbazima ⁵	DBA ²	1 March 2015	1 March 2018	15,543	—	—	15,543	—	4,585	—
	DBA	1 March 2015	1 March 2020	7,772	—	—		7,772	229	2,152
	DBA	1 April 2016	1 March 2019	143,520	—	—		143,520	4,235	39,746
	LTIP ^{1,2}	1 March 2015	1 March 2018	54,409	—	6,782	47,627	—	13,337	—
	LTIP	1 April 2016	1 March 2019	313,980	—	—		313,980	—	86,954
Sub-total				535,224	—	6,782	63,170	465,272	22,386	128,852
FT Kotzee ⁵	LTIP ¹	1 March 2015	1 March 2018	16,819		2,096	14,723	—	5,139	—
	LTIP	1 April 2016	1 March 2019	94,918				94,918	—	26,287
Sub-total				111,737	—	2,096	14,723	94,918	5,139	26,287

¹ Shares forfeited are due to performance conditions of the 2015 award not fully being met.

² Share vesting delayed to 9 April 2018 due to employee being subject to an embargo.

³ Includes dividend payments received on 12 March 2018 and 20 August 2018 as well as face value of share vestings during 2018.

⁴ Sum total of the estimated fair value of unvested DBA and FSP shares, 2016 LTIP award (estimated vesting of 100%), 2017 LTIP award (estimated vesting of 65%) and 2018 LTIP award (estimated vesting of 53%). The value is based on a three-day VWAP on 31 December 2018 of R276.94.

⁵ Awards were made during tenure as executive directors and awards were retained in terms of separation agreement.

ANNEXURE 2 CONTINUED

				Number of shares						
				Opening balance on 1 January 2018	Granted during 2018	Forfeited during 2018	Vesting during 2018	Closing balance on 31 December 2018	Value of receipts R'000	Estimated fair value on 31 December 2018 R'000
2018	Scheme	Award date	Earliest date of vesting							
Prescribed officers									2	3
PJP Fourie	DBA	9 April 2018	1 March 2021	—	3,246			3,246	47	899
	FSP	1 May 2017	1 May 2020	5,281				5,281	156	1,463
	FSP	9 April 2018	1 March 2021	—	2,773			2,773	40	768
Sub-total				5,281	6,019	—	—	11,300	243	3,130
GM Mc Gavigan	DBA ¹	1 March 2015	1 March 2018	4,557			4,557	—	1,344	—
	DBA	1 April 2016	1 March 2019	21,607				21,607	638	5,984
	DBA	1 March 2017	1 March 2020	3,712				3,712	110	1,028
	DBA	9 April 2018	1 March 2021	—	5,128			5,128	74	1,420
	FSP ¹	1 March 2015	1 March 2018	2,921			2,921	—	862	—
	FSP	1 April 2016	1 March 2019	15,769				15,769	465	4,367
	FSP	1 March 2017	1 March 2020	5,091				5,091	150	1,410
	FSP	9 April 2018	1 March 2021	—	3,131			3,131	45	867
Sub-total				53,657	8,259	—	7,478	54,438	3,688	15,076
Y Mfelo	DBA ¹	1 March 2015	1 March 2018	3,792			3,792	—	1,119	—
	DBA	1 April 2016	1 March 2019	22,263				22,263	657	6,166
	DBA	1 March 2017	1 March 2020	5,352				5,352	158	1,482
	DBA	9 April 2018	1 March 2021	—	3,518			3,518	51	974
	FSP ¹	1 March 2015	1 March 2018	3,628			3,628	—	1,070	—
	FSP	1 April 2016	1 March 2019	19,496				19,496	575	5,399
	FSP	1 March 2017	1 March 2020	4,266				4,266	126	1,181
	FSP	9 April 2018	1 March 2021	—	2,631			2,631	38	729
Sub-total				58,797	6,149	—	7,420	57,526	3,794	15,931
SV Tyobeka	DBA ¹	1 March 2015	1 March 2018	4,756			4,756	—	1,403	—
	DBA	1 April 2016	1 March 2019	25,528				25,528	753	7,070
	DBA	1 March 2017	1 March 2020	6,200				6,200	183	1,717
	DBA	9 April 2018	1 March 2021	—	4,850			4,850	70	1,343
	FSP ¹	1 March 2015	1 March 2018	3,911			3,911	—	1,154	—
	FSP	1 April 2016	1 March 2019	20,959				20,959	619	5,804
	FSP	1 March 2017	1 March 2020	4,616				4,616	136	1,278
	FSP	9 April 2018	1 March 2021	—	3,126			3,126	45	866
Sub-total				65,970	7,976	—	8,667	65,279	4,363	18,078
CD Appollis	DBA	9 April 2018	1 March 2021	—	182			182	3	50
Sub-total				—	182	—	—	182	3	50
Total				928,727	89,047	8,878	101,458	907,438	40,356	237,923

¹ Share vesting delayed to 9 April 2018 due to employee being subject to an embargo.

² Includes dividend payments received on 12 March 2018 and 20 August 2018 as well as face value of share vestings during 2018.

³ Sum total of the estimated fair value of unvested DBA and FSP shares, 2016 LTIP award (estimated vesting of 100%), 2017 LTIP award (estimated vesting of 65%) and 2018 LTIP award (estimated vesting of 53%). The value is based on a three-day VWAP on 31 December 2018 of R276.94.

UNVESTED AWARDS AND CASH FLOW

				Number of shares						Estimated fair value on 31 December 2017 R'000
2017	Scheme	Award date	Earliest date of vesting	Opening balance on 1 January 2017	Granted during 2017	Forfeited during 2017	Vesting during 2017	Closing balance on 31 December 2017	Value of receipts R'000	
Executive directors									4	5
TM Mkhwanazi	DBA	1 March 2017	1 March 2020	—	5,205			5,205	83	1,949
	DBA	1 March 2017	1 March 2022	—	2,082			2,082	33	779
	DBA	1 June 2017	1 March 2020	—	5,171			5,171	83	1,936
	DBA	1 June 2017	1 March 2022	—	2,585			2,585	41	968
	LTIP	15 September 2016	1 March 2019	23,774	—			23,774	—	8,386
	LTIP	1 June 2017	1 March 2020	—	43,748			43,748	—	14,652
Sub-total				23,774	58,791	—	—	82,565	240	28,670
BA Mazarura	LTIP ³	1 September 2017	1 March 2020	—	15,496			15,496	—	5,801
Sub-total				—	15,496	—	—	15,496	—	5,801
NB Mbazima ⁶	DBA	1 March 2014	1 March 2017	11,674	—	—	11,674	—	2,492	—
	DBA	1 March 2015	1 March 2018	15,543	—	—		15,543	248	5,819
	DBA	1 March 2015	1 March 2020	7,772	—	—		7,772	124	2,910
	DBA	1 April 2016	1 March 2019	143,520	—	—		143,520	2,292	53,728
	LTIP ²	1 August 2014	1 March 2017	31,523	—	31,523		—	—	—
	LTIP	1 March 2015	1 March 2018	54,409	—	—		54,409	—	17,823
	LTIP	1 April 2016	1 March 2019	313,980	—	—		313,980	—	110,752
Sub-total				578,421	—	31,523	11,674	535,224	5,156	191,032
FT Kotzee ⁶	DBA ¹	1 March 2014	1 March 2017	4,773		4,773		—	—	—
	DBA ¹	1 March 2015	1 March 2018	9,342		9,342		—	—	—
	DBA ¹	1 April 2016	1 March 2019	48,555		48,555		—	—	—
	LTIP ²	1 August 2014	1 March 2017	9,841		9,841		—	—	—
	LTIP	1 March 2015	1 March 2018	16,819				16,819	—	5,509
	LTIP	1 April 2016	1 March 2019	94,918				94,918	—	33,481
Sub-total				184,248	—	72,511	—	111,737	—	38,990

¹ DBA shares forfeited as a result of termination on 11 May 2017.

² Shares forfeited are due to performance conditions of the 2014 award not being met.

³ Share award allocated in terms of appointment (1 September 2017) agreement.

⁴ Includes dividend payments received on 21 August 2017 as well as face value of share vestings during 2017.

⁵ Sum total of the estimated fair value of unvested DBA and FSP shares, 2015 LTIP award (estimated vesting of 87.5%), 2016 LTIP award (estimated vesting of 100%) and 2017 LTIP award (estimated vesting of 100%). The value is based on a three-day VWAP on 31 December 2017 of R374.36.

⁶ Awards were made during tenure as Executive directors and awards were retained in terms of separation agreement.

The 2017 unvested awards and cash flow table was updated and refined to align with the principles of King IV.

ANNEXURE 2 CONTINUED

				Number of shares						Estimated fair value on 31 December 2017 R'000
2017	Scheme	Award date	Earliest date of vesting	Opening balance on 1 January 2017	Granted during 2017	Forfeited during 2017	Vesting during 2017	Closing balance on 31 December 2017	Value of receipts R'000	
Prescribed officers									4	5
PJP Fourie	FSP ¹	1 May 2017	1 May 2020	—	5,281	—	—	5,281	—	1,977
Sub-total				—	5,281	—	—	5,281	—	1,977
B Mawasha	DBA	1 March 2014	1 March 2017	951			951	—	203	—
	DBA ²	1 March 2015	12 April 2018	10,335			10,335	—	1,777	—
	DBA ²	1 April 2016	1 March 2019	41,610			41,610	—	7,153	—
	DBA ²	1 March 2017	1 March 2020	—	11,688		11,688	—	2,009	—
	FSP	1 March 2014	1 March 2017	4,486			4,486	—	957	—
	FSP ²	1 March 2015	12 April 2018	8,854			8,854	—	1,522	—
	FSP ²	1 April 2016	1 March 2019	47,447			47,447	—	8,156	—
	FSP ²	1 March 2017	1 March 2020	—	10,314		10,314	—	1,773	—
Sub-total				113,683	22,002	—	135,685	—	23,550	—
GM Mc Gavigan	DBA	1 March 2014	1 March 2017	1,354			1,354	—	289	—
	DBA	1 March 2015	1 March 2018	4,557				4,557	73	1,706
	DBA	1 April 2016	1 March 2019	21,607				21,607	345	8,089
	DBA	1 March 2017	1 March 2020	—	3,712			3,712	59	1,390
	FSP	1 March 2014	1 March 2017	1,477			1,477	—	315	—
	FSP	1 March 2015	1 March 2018	2,921				2,921	47	1,094
	FSP	1 April 2016	1 March 2019	15,769				15,769	252	5,903
	FSP	1 March 2017	1 March 2020	—	5,091			5,091	81	1,906
Sub-total				47,685	8,803	—	2,831	53,657	1,461	20,088
Y Mfolo	DBA	1 March 2014	1 March 2017	1,583			1,583	—	338	—
	DBA	1 March 2015	1 March 2018	3,792				3,792	61	1,420
	DBA	1 April 2016	1 March 2019	22,263				22,263	356	8,334
	DBA	1 March 2017	1 March 2020	—	5,352			5,352	85	2,004
	FSP	1 March 2014	1 March 2017	1,843			1,843	—	393	—
	FSP	1 March 2015	1 March 2018	3,628				3,628	58	1,358
	FSP	1 April 2016	1 March 2019	19,496				19,496	311	7,299
	FSP	1 March 2017	1 March 2020	—	4,266			4,266	68	1,597
Sub-total				52,605	9,618	—	3,426	58,797	1,670	22,012
LLA Mgadzah	DBA ²	1 March 2014	1 March 2017	909			909	—	194	—
	DBA ²	1 March 2015	12 April 2018	2,949			2,949	—	629	—
	DBA ²	1 April 2016	1 March 2019	11,082			11,082	—	2,365	—
	FSP ²	1 March 2014	1 March 2017	1,720			1,720	—	367	—
	FSP ²	1 March 2015	12 April 2018	3,387			3,387	—	723	—
	FSP ²	1 April 2016	1 March 2019	18,197			18,197	—	3,884	—
Sub-total				38,244	—	—	38,244	—	8,162	—

2017	Scheme	Award date	Earliest date of vesting	Number of shares				Closing balance on 31 December 2017	Value of receipts R'000	Estimated fair value on 31 December 2017 R'000
				Opening balance on 1 January 2017	Granted during 2017	Forfeited during 2017	Vesting during 2017			
Prescribed officers									4	5
SV Tyobeka	DBA	1 March 2014	1 March 2017	1,833			1,833	—	391	—
	DBA	1 March 2015	1 March 2018	4,756				4,756	76	1,780
	DBA	1 April 2016	1 March 2019	25,528				25,528	408	9,557
	DBA	1 March 2017	1 March 2020		6,200			6,200	99	2,321
	FSP	1 March 2014	1 March 2017	1,981			1,981	—	423	—
	FSP	1 March 2015	1 March 2018	3,911				3,911	62	1,464
	FSP	1 April 2016	1 March 2019	20,959				20,959	335	7,846
	FSP	1 March 2017	1 March 2020		4,616			4,616	74	1,728
Sub-total				58,968	10,816	—	3,814	65,970	1,868	24,696
A Parboosing	DBA ³	1 March 2015	12 April 2018	1,217			1,217	—	268	—
	DBA ³	1 April 2016	1 March 2019	18,688			18,688	—	4,117	—
	FSP ³	1 March 2014	1 March 2017	2,039			2,039	—	449	—
Sub-total				21,944	—	—	21,944	—	4,834	—
Total				1,119,572	130,807	104,034	217,618	928,727	46,941	333,266

¹ Share award made based on individual performance and contribution to the business performance at Anglo American Coal SA.

² Shares vested on termination date (28 February 2017), as per separation agreement.

³ Shares vested on day notice of termination was served, as per separation agreement.

⁴ Includes dividend payments received on 21 August 2017 as well as face value of share vestings during 2017.

⁵ Sum total of the estimated fair value of unvested DBA and FSP shares, 2015 LTIP award (estimated vesting of 87.5%), 2016 LTIP award (estimated vesting of 100%) and 2017 LTIP award (estimated vesting of 100%). The value is based on a three-day VWAP on 31 December 2017 of R374.36.

The 2017 unvested awards and cash flow table was updated and refined to align with the principles of King IV.

DIRECTORS' BENEFICIAL INTEREST IN KUMBA

The aggregate beneficial interest in Kumba at 31 December 2018 of the directors of the Company and their immediate families (none of whom has a holding greater than 1%) in the issued shares of the Company are detailed below. There have been no material changes to the shareholding since 2018 and the date of approval of the annual financial statements.

Capacity and name	2018			2017		
	Number of shares	Long-term incentive scheme shares	Total beneficial interest	Number of shares	Long-term incentive scheme shares	Total beneficial interest
Executive directors¹						
TM Mkhwanazi ²	—	131,612	131,612	—	82,565	82,565
BA Mazarura ²	—	26,911	26,911	—	15,496	15,496
NB Mbazima ²	—	465,272	465,272	—	535,224	535,224
F Kotzee ²	—	94,918	94,918	—	111,737	111,737
Sub-total	—	718,713	718,713	—	745,022	745,022
Non-executive directors						
DD Mokgatlhe ³	428	—	428	428	—	428
Sub-total	428	—	428	428	—	428
Total	428	718,713	719,141	428	745,022	745,450

¹ Direct interest held by executive directors.

² Granted under the BSP as well as the LTIP and disclosed in the tables above.

³ Total indirect interest held by spouse.

ANNEXURE 3

SALIENT FEATURES OF THE AMENDED BONUS SHARE PLAN (TO BE REFERRED TO AS THE BONUS AND RETENTION SHARE PLAN (BRP)) AND AMENDMENTS TO THE PERFORMANCE SHARE PLAN (PREVIOUSLY KNOWN AS THE LONG-TERM INCENTIVE PLAN)

PROVISIONS OF THE BONUS AND RETENTION SHARE PLAN (BRP)

Purpose and structure of BRP

The BRP will be used as an incentive to participants to deliver the group's business strategy over the long term. Although the rules are drafted flexibly to include any employee, executive directors and senior management are currently eligible to receive BRP awards. The intent of the BRP is to incentivise, motivate and retain executives and senior management. The structure of the BRP is to a large extent the same as the previous Bonus Share Plan, and the following awards can be granted namely:

- **Bonus awards** are granted with reference to the performance cash bonus and performance is therefore used as an entry requirement and determines the award. Awards will vest subject to continued employment over a three-year vesting period, or in the case of the CEO over a five-year period. Although the rules are drafted flexibly to include any employee, executive directors and employees on Band 5 and above are currently eligible to receive bonus awards under the BRP; [14.1(a)]
- **Retention awards** are used to address retention and sign-on requirements and the quantum of shares awarded are considered on an ad hoc basis. Awards vest subject to continued employment over a three-year vesting period. Although the rules are drafted flexibly to include any employee, employees on Band 6 and above are currently eligible to receive retention awards. [14.1(a)]

Bonus awards and retention awards can be granted as forfeitable shares, conditional shares or phantom shares. Bonus awards can additionally be granted in the form of deferred cash. Although the rules are drafted flexibly to include any employee, employees on Band 6/12 are currently eligible to receive deferred cash awards.

Rights of participants [14.1(e)]

If granted as **forfeitable shares**, participants will become owners of the shares from the settlement date, shortly after the award date, and will benefit from dividends and have voting rights in respect of the forfeitable shares over the vesting period. The forfeitable shares cannot be disposed of by the participant prior to the vesting date and will be subject to forfeiture and disposal restrictions until the vesting date.

Conditional shares are rights to receive shares on a future date. Participants have no rights to shares until the vesting date.

Phantom shares are rights to receive cash on a future date, reflective of the share price of an underlying share on the vesting date.

Deferred cash awards are granted based on the quantum of the performance cash bonus and performance is used as an entry requirement. Deferred cash awards have no reference to the Kumba share price and participants have no rights to an underlying share.

As is the case with the PSP, all unvested BRP awards could, in the discretion of the Human Resources and Remuneration Committee ("Committee") be made subject to malus. If so communicated in the award letter, unvested awards can be reduced or forfeited if a trigger event occurs before the vesting date.

Basis of annual awards and award levels [14.1(f)]

In line with the requirements of King IV™ and Kumba's current practice, annual awards will be made in line with the remuneration policy to ensure long-term shareholder value creation.

The Committee will have the discretion to determine the number of awards, by taking into consideration the achievement of the key performance indicators of the performance cash bonus, as well as retention requirements. The Company believes that this principle will further enhance a pay-for-performance culture.

Notwithstanding the above, overall affordability to the Company will be considered each time an award is made.

Performance measurement and vesting

Bonus awards will be awarded dependent on the quantum of the performance cash bonus earned during the previous financial year, and will be linked to performance in this manner. Vesting of bonus award is subject to the continued employment for a three-year vesting period, with the exception of the CEO who is subject to a five-year vesting period.

Retention awards will not be subject to future performance conditions, due to their inherent nature as retention instruments, but will be subject to the fulfilment of the employment condition, which will be three years from the date of award for all participants.

Consideration [14.1(d)(i)]

The participant will give no consideration for the award, settlement or vesting of awards.

Variation of share capital and other events

In the event of a variation in share capital such as a capitalisation issue, subdivision of shares, consolidation of shares etc., participants shall continue to participate in the BRP. The Committee may make such adjustment to the award or take such other action to place participants in no worse a position than they were prior to the happening of the relevant event and to provide that the fair value of the award immediately after the event is materially the same as the fair value of the award immediately before the event. For the avoidance of doubt, deferred cash awards will not be adjusted in these circumstances as the award is not granted with reference to a share.

In the event of a rights issue, a participant who has been awarded forfeitable shares will be entitled to normal shareholder rights and will participate in any rights issue in respect of their forfeitable shares.

The issue of shares as consideration for an acquisition, and the issue of shares or a vendor consideration placing, will not be regarded as a circumstance that requires any adjustment to awards.

If the Company is placed into liquidation, other than for purposes of reorganisation awards, shall ipso facto lapse as from the liquidation date. [14.1(e)]

Amendments [14.2]

The Committee may alter or vary the rules of the BRP as it sees fit however, in the following instances the BRP may not be amended without the prior approval of the JSE and a resolution by the shareholders of 75% of the voting rights:

- the category of persons who are eligible for participation in the BRP;
- the number of shares which may be utilised for the purpose of the BRP;
- the individual limitations on benefits or maximum entitlements;
- the basis upon which awards are made;
- the amount payable upon the award, settlement or vesting of an award;
- the voting, dividend, transfer and other rights attached to the awards, including those arising on a liquidation of the Company;
- the adjustment of awards in the event of a variation of capital of the Company or a change of control of the Company; and
- the procedure to be adopted in respect of the vesting of awards in the event of termination of employment.

AMENDMENTS TO THE PERFORMANCE SHARE PLAN (PSP)

The Long Term Incentive Plan (or PSP) will be amended in the following respects:

Instruments used and rights of participants

Kumba will continue to use the PSP to grant conditional awards of shares which are subject to forward looking performance conditions measured over a three-year performance period. Although the rules are drafted flexibly to include any employee, executive directors and Band 4 employees will be eligible to receive PSP awards as of 2019, as tabled in a separate paper (agenda item 4.3.).

As communicated to shareholders at the prior annual general meeting, vested awards are settled on vesting but could be made subject to a discretionary holding period of two years. During the holding period vested shares cannot be sold and are subject to post-vesting forfeiture if a trigger event arises (also referred to as recovery/claw-back).

To ensure further alignment with the Anglo American group and leading remuneration practices, the PSP will be amended in the following respects:

- In addition to the existing recovery/claw-back provisions, all unvested awards could in the discretion of the Committee be made subject to malus. This implies unvested awards can be reduced or forfeited if a trigger event occurs before the vesting date.

- Participants (with the exception of executive directors) will receive dividend equivalents on the vesting date (settled in cash or shares), equal to the normal dividends Kumba paid over the duration of the vesting period, multiplied by the number of vested shares.
- For maximum flexibility, phantom shares can also be awarded which are rights to receive cash on a future date, reflective of the share price of an underlying share on the vesting date. Phantom shares are also subject to forward looking performance-vesting conditions. Participants do not have rights to shares, but will receive dividend equivalents on the vesting date (settled in cash), equal to the normal dividends Kumba paid over the duration of the vesting period, multiplied by the number of vested phantom shares. The discretionary holding period will not apply the phantom shares.

Additional changes

The additional changes are explained below, but relate to the reduction of the number of shares available to the plans and the maximum number of shares any one participant can acquire under the plans. Further, the manner in which the PSP can be settled has been expanded to align with best practice. Lastly, existing termination of employment and change of control provisions remained largely unchanged, except for some minor clarifications explained below.

AMENDMENTS APPLICABLE TO BOTH PLANS (BRP AND PSP)

Termination of employment [14.1(h)]

Fault terminations

Participants terminating employment due to resignation or dismissal on grounds of misconduct, poor performance, dishonest behaviour or fraudulent conduct or on the basis of abscondment will be classified as "fault terminations" and will forfeit all unvested awards.

No fault terminations

Participants terminating employment due to death, medical disability, retrenchment, retirement (including early retirement with the Company's consent) except to the extent that is constitutes a fault termination as set out above, or the sale of a subsidiary company will be classified as "no fault terminations".

In the case of BRP participants, subject to Committee discretion, the vesting of the awards shall be advanced to a date as soon as practical after the date of termination of employment. Furthermore, senior participants (currently the executive directors), will continue to participate in the BRP until the normal vesting date, with the exception of death where awards shall vest as soon as practical after the date of termination of employment.

Further, in the case of PSP participants (except for death), the award can either:

Remain subject to the performance conditions and period. The extent to which the performance conditions have been met, will determine the number of shares to vest. Such number will further be pro-rated to reflect the number of months in employment from the

ANNEXURE 3 CONTINUED

award date to the date of termination of employment, relative to the total number of months in the vesting period. Alternatively, the vesting of the awards will be advanced to a date as soon as practical after the date of termination of employment. The extent to which the performance conditions have been met, will determine the number of shares to vest. Such number will further be pro-rated to reflect the number of months in employment from the award date to the date of termination of employment, relative to the total number of months in the vesting period.

Awards of PSP participants whose employment is terminated as a result of death, will vest as soon as possible following the date of death. Awards will be pro-rated to reflect the number of months in employment from the award date to the date of termination of employment, relative to the total number of months in the vesting period, but will not be adjusted for performance conditions.

Change of control [14.1(g)]

In the event that the Company is no longer under the direct or indirect control of Anglo American plc, unvested BRP awards will vest, adjusted to reflect the number of months in employment from the award date to the change of control date.

In the case of PSP awards, a portion of the awards will vest. The portion to vest will reflect the number of months in employment from the award date to the date of change of control, relative to the total number of months in the vesting period and the extent to which performance conditions have been met.

BRP and PSP awards will not vest as a consequence of an internal reconstruction or similar event which is not a change of control. In this case the Committee shall make such adjustment to the number of awards or convert awards into awards in respect of shares in one or more other companies, provided the participants are no worse off.

Manner of settlement

The rules of the plans are flexible in order to allow for settlement in any of the following manners:

- by way of a market purchase of shares;
- use of treasury shares;
- issue of shares;
- payment in cash.

In line with existing practice, the Company intends to continue to purchase shares in the market on settlement of the plans.

Limits and adjustments

Up to now, the Company could settle 10% of its issued share capital under its share plans. However, in line with new shareholder expectations, a 5% limit will now be used. The aggregate number of shares which may be settled after 10 May 2019 under the BRP and the PSP collectively, shall not exceed 16,104,299 shares, which represents 5% of the current issued share capital of the Company. Since inception of Kumba's share plans, the Company has always purchased shares in the market resulting in no shareholder dilution and intends to continue with this practice.

Shares issued by the Company or shares held in treasury which are used to settle the plans, will be included in the Company limit. Awards which are forfeited will be excluded in calculating the limit. Similarly, any shares purchased in the market in settlement of the plans will be excluded. The Committee must, where required, adjust the limit (without the prior approval of shareholders in a general meeting), to take account of a sub-division or consolidation of the shares of the Company [14.1 (b) and 14.3(a)]

The maximum number of shares which may be settled to any individual participant after 10 May 2019 in aggregate under the BRP and PSP to an individual may not exceed 3,220,860 shares, which represents approximately 1% of the current number of issued shares of the Company. [14.1 (c)] The Committee may, where required, adjust the individual limit to take account of a capitalisation issue, a special distribution, a rights issue or reduction in capital of the Company. [14.3(b)]

The auditors, or other independent advisor acceptable to the JSE, shall confirm to the JSE in writing that any adjustment made in terms of this paragraph has been properly calculated on a reasonable and equitable basis, in accordance with the rules of the plans and must be reported on in the Company's financial statements in the year during which the adjustment is made. The issue of shares as consideration for an acquisition, and the issue of shares or a vendor consideration placing, will not be regarded as a circumstance that requires any adjustment to the Company limit and the individual limit. [14.3(d), (e)]

ANNEXURE 4

MAJOR SHAREHOLDERS

Shareholder	Location	Holdings as at 28 December 2018	% ISC
Anglo South Africa (Johannesburg)	Johannesburg	224,535,915	69.71
Industrial Development Corporation (Johannesburg)	Johannesburg	41,498,615	12.88
Public Investment Corporation (Pretoria)	Pretoria	6,254,055	1.94
BlackRock Investment Mgt - Index (San Francisco)	San Francisco	3,291,856	1.02
SEB Asset Mgt (Stockholm)	Stockholm	1,897,906	0.59
Acadian Asset Mgt (Boston)	Boston	1,888,456	0.59
Vanguard Group (Philadelphia)	Philadelphia	1,866,340	0.58
Dimensional Fund Advisors (London)	London	1,854,421	0.58
GMO (Boston)	Boston	1,787,576	0.56
Robeco Asset Mgt (Rotterdam)	Rotterdam	1,258,598	0.39
TOTAL		286,133,738	88.84

NO MATERIAL CHANGES

Other than the facts and developments reported in the annual financial statements 2018 which are available on the Company's website at www.angloamericankumba.com, there have been no material changes in the financial or trading position of the Company and its subsidiaries since the signature date of the annual financial statements for 2018, being 19 February 2019.

ISSUED SHARE CAPITAL OF THE COMPANY

The issued share capital of the Company is 322,085,974 ordinary shares.

AUTHORISED SHARE CAPITAL OF THE COMPANY

The authorised share capital of the Company is 500,000,000 ordinary shares.

ADMINISTRATION

COMPANY REGISTRATION NUMBER

2005/015852/06
JSE share code: KIO
ISIN code: ZAE000085346

COMPANY SECRETARY AND REGISTERED OFFICE

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(A division of FirstRand Bank Limited)
Registration number: 1929/001225/06
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PO Box 786273, Sandton, 2146

UNITED STATES ADR DEPOSITORY

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Depository Receipts Division 101 Barclay Street, 22nd Floor
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